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WORLD POLITICS

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World Politics

At the End of the Nineteenth Century

AS INFLUENCED BY THE ORIENTAL SITUATION

BY

PAUL S. REINSCH, PH.D., LL.B.
ASSISTANT PROFESSOR OF POLITICAL SCIENCE IN THE UNIVERSITY OF WISCONSIN

"La politique a toujours besoin de prévoir, pour ainsi dire, le présent." — TURGOT.

New York
THE MACMILLAN COMPANY
LONDON: MACMILLAN AND CO., LTD.
1904

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Set up and electrotyped May, 1900. Reprinted September, 1900; February, 1902; July, 1904.

Norwood Press
J. S. Cushing & Co. — Berwick & Smith
Norwood Mass. U.S.A.

PREFACE

It has been the intention of the writer in the present volume to gather into a harmonious picture the multitude of facts and considerations that go to make up international politics at the present time. The treatment is of necessity suggestive rather than exhaustive, but it is believed that, while at present no complete historical judgment as to the great forces at work could be delivered, still the far-reaching importance and dramatic interest of present developments would justify the attempt to obtain a bird's-eye view. These considerations indicate the purpose as well as the necessary limitations of the present work. While the author has, in every case, sifted his evidence and attempted to found his judgments on unimpeachable testimony, the subject is so vast that only the paradoxical specialist in all fields could avoid just criticism. The author has, however, attempted to keep himself entirely free from *a priori* conceptions and prejudices, and to view the great drama of contemporary life as an unimpassioned beholder who forbears to censure or commend.

The plan of the book may need a word of explanation. The first part is an introduction, and gives a general view of the forces at work,

covering the various elements of intellectual and economic life that influence modern politics. The second part treats of what the author considers the true centre of interest in present international politics, namely, the Chinese question: the consequences of the Chinese situation on European politics are traced in part third. The part devoted to German imperial politics attempts to present in its completeness the well-considered policy of a great empire, while in the last part some necessarily fragmentary considerations upon the position of the United States as a world power are given. The whole material of the book, therefore, is focussed upon the Chinese problem. The documents and works upon which the author bases his conclusions are cited at the end of each part. It was thought better to limit the number of page notes, and rather to give the sources of information in the above manner.

Acknowledgments are due to Professor Richard T. Ely, the editor of this series, President Charles Kendall Adams, and Professors Frederick J. Turner and Charles H. Haskins, of the University of Wisconsin, for helpful suggestions as to the subject-matter of these lectures. The author also received invaluable aid in the revision of the book and in proof-reading from Mr. George Ray Wicker, an honorary fellow in the University of Wisconsin.

PAUL S. REINSCH.

MADISON, WISCONSIN,
April 1, 1900.

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PART I

NATIONAL IMPERIALISM

WORLD POLITICS AT THE END OF THE NINETEENTH CENTURY

CHAPTER I

The Transition from Nationalism to National Imperialism in the Nineteenth Century

When we view the historical development of the world since the Renaissance, we find that the one principle about which the wealth of facts can be harmoniously grouped is that of nationalism. Ever since the world-state ideals of the Middle Ages were left behind, this principle has been the touchstone of true statesmanship. The reputation of a statesman, as well as his permanent influence on human affairs, depends on his power to understand and aid the historical evolution, from out the medieval chaos, of strong national states. Genius could not countervail this law of development. Even Napoleon was unsuccessful whenever his policy opposed the innate strength of nationalism. As we enumerate the great statesmen whose personalities have left a permanent impress on the institutions of their countries, such as Louis XI., Wolsey, Elizabeth, Richelieu, Henry IV.,

Cromwell, Chatham, Cavour, and Bismarck, we find that their title to greatness rests upon the manner in which they aided a national state in realizing its independence and developing its character.

Especially during the nineteenth century has nationalism been a conscious influence in political life. The nations that, at its beginning, had partly achieved their independent political existence, have since been striving for the attainment of completely self-sufficing life; while those races that regard themselves as unjustly held in bondage by others have been engaged in a stern struggle to obtain national independence. Success has not been the equal portion of the striving races. Germany and Italy, which have most nearly approached their ideal, are still looking yearningly toward the completion of their work by the addition of Austria and Trieste[1] to the national states to which they respectively belong. The Hungarians, whose nationalism is most violently enthusiastic, have carried their nativistic policy so far as to destroy the economic resources of other parts of the Austrian Empire, as, for instance, the forests of Dalmatia, in order to protect their own economic existence. Other races have been less successful, either from a lack of political genius or from the overpowering strength of their political superiors. An aid to the successful, the principle

[1] In Italian political literature Trieste is usually called *irredenta*, the unredeemed.

of nationalism has been turned against the less fortunate. Under its influence attempts are constantly being made to force races like the Irish, the Poles,[1] and the Finns into unwilling assimilation with nations that are politically organized and superior in strength. For it is necessary to distinguish the spirit of nationalism from that of particularism just as sharply as from that of the world state of the Middle Ages; it does not look with favor upon local peculiarities and variations, but rather stands for a thoroughgoing assimilation of all the component parts of the nation.

It has thus come about that the successful nations have developed a clearly marked individuality. The cosmopolitanism of the Middle Ages and of the Renaissance, the dreams of world unity, have been replaced by a set of narrower national ideals concerning customs, laws, literature, and art, — by a community of independent states, each striving to realize to the fullest its individual aptitudes and characteristics. It is not necessary to infer from this a universal reign of chauvinism. The idea of the general solidarity of mankind is still strong enough to restrain national action in some measure. In ordinary times there is a healthy competition between the members of the international commonwealth, — a competition sharpened by the knowledge that temporary weakness may mean loss of national existence.

[1] See Brandes, *Polen*, for a description of Russian methods.

Meanwhile international law holds a balance between the states by preventing any of the stronger members from unjustly oppressing the smaller civilized nations. Under these conditions, too great uniformity of civilization is avoided, and humanity is given an opportunity to develop its varying characteristics. Thus the ideal of the period is as far removed from the dead uniformity of a world empire on the one hand, as it is on the other from the distracting anarchy of a régime of mere local custom. The world community idea of the great founders of international law, Grotius and Suarez, and of philosophers of eternal peace, like Saint-Pierre and Kant, is reconcilable with the existence of national states, if it is understood to imply, not political union, but the active coöperation of all nations in the common work of mankind.

It will, however, be difficult to preserve a balance of this kind, as the nationalistic principle bears within it the possible source of its own destruction, and unless carefully guarded against exaggeration, will of itself lead to a disturbance of the equilibrium upon which the diversity of our civilization depends. Within the latter half of the nineteenth century, nationalism has been thus exaggerated; going beyond a healthy desire to express the true native characteristics of a people, it has come, in some quarters, to mean the decrying, as barbarous or decadent, of everything originating outside of the national boundary. Within

the state itself, there is a growing tendency to enforce, by custom and law, absolute uniformity of characteristics. Languages and literatures peculiar to smaller communities are not encouraged, the effort being rather made to replace them by the national language. In international politics the motives of foreign nations are being constantly misunderstood. Each nation looks upon itself as the bearer of the only true civilization. France makes wars as a herald of progress; and when Germany is victorious, she, in turn, announces a triumph for civilization. Even in art and science, perhaps the most cosmopolitan of all pursuits, this nationalizing tendency has left its mark. In order to give to a work of art a national tinge, idiosyncrasies are emphasized, while the broad, human way of looking at things, the art that speaks to all ages, is neglected. Historical writers are especially prone to yield to national prejudices, and even scientists may be found who import the "national equation" into their work. Chauvinism is not confined to politics. It is to be found in contemporary art and science as well.

There has been a complete change of ideals during the past hundred years. The century opened with a broad humanitarianism, with a belief in the saving power of general culture, and the main characteristic of the time was a rationalistic optimism which saw in reason the guiding influence in human affairs. This age of reason, of which Kant, Jefferson, the Humboldts, and Rousseau are the

most prominent and distinctive exponents, was followed by what may be called the age of force. Napoleon's career destroyed much of the first optimism of the Revolution; but it was the period of 1848 that finally disappointed the hopes with which the century had begun. An age of pessimism then dawned, in which it was recognized that humanity is swayed, not so much by reason, as by the blind and passionate forces of the will. Schopenhauer's great work, which had lain unnoticed on the publishers' shelves for thirty years, now suddenly attracted widespread attention and became the mirror of the times. It is only within the last decade that this pessimism has been in turn replaced by a new optimism, the optimism of force, which sees in triumphant energy the sole condition of happy existence.[1] The serenely quiet and completely harmonious balance of an existence such as Goethe's, reflected in his whole art, has given way to a rush of wild spirits that fight their way through storms of passions where only the strongest will, the most violent energy, can prevail.

This general character of the age is written plainly in the records of contemporary political life. The nations, having passed through their historical evolution, stand now, with fully developed individualities, face to face. Their competition in all the fields of human activity has taken on tremendous dimensions. On the same over-

[1] Of this tendency Friedrich Nietzsche is the main exponent.

whelming scale as that of their armaments for war do they now exert their energies in all directions. It is true that in this way they develop greater vitality and ability than could ever be brought about in a condition of world peace; but their rivalry may become suicidal. At present many of them are finding their territorial basis too limited. Expansion in population necessitates expansion in territory, and so to nationalism they add imperialism, — a desire to control as large a portion of the earth's surface as their energy and opportunities will permit. This attitude in international politics has become paramount only within the last decades. During the middle period of the nineteenth century, colonial possessions were undervalued by the continental states of Europe.[1]

It was the example of England that led other states to look beyond the sea for a reënforcement of national power and resources. The first to develop the principle of nationalism, and to establish an autonomous state, in entire independence of the Roman imperial idea, England has also taken the lead in building up a national empire. Before it was too late, she ceased to look upon her colonies as mere *latifundia* from which vast incomes might be drawn by absentee lords; and, as

[1] Even in England a large section of public opinion was indifferent to colonial affairs. This is especially true of the leaders of the Manchester school. See, for instance, John Bright's speeches on Canada.

a result, she was the first of all nations, by her wise administration and lasting settlement, to make her possessions truly a part of her national existence. Now, as the European nations look about them and find their territorial basis too limited, as they see their citizens leaving home only to become naturalized in English-speaking lands and thus to lose their former characteristics, they raise the cry of "selfish, grasping England." There is some truth in Alfred Austin's expression, "the envious nations," although, of course, adverse criticism of England is not by any means always inspired by the particular feeling charged in the laureate's epithet. When a realization of the state of affairs had fully dawned upon the continental nations, there began a fierce general scramble for those portions of the earth's surface which were still unoccupied; and especially since it has become apparent that, sooner or later, the vast and wealthy realm of China may become a prey to foreign invaders, has this international competition become intense, and ominous of serious strife.

Various motives prevail with the different governments and nations, and the different classes among the respective peoples, in the matter of territorial expansion. Often the value attached to extended dominion is purely sentimental, inasmuch as many of the colonies hastily acquired by European nations will never make a material return to the people as a whole, for the outlay involved in their administration. Thus, while a policy of colo-

nial expansion may be acceptable to individual capitalists as a means of profitable investment, to the common people, who are always swayed by the imaginary side of politics, it appeals as an extension of national prestige. Nothing will arouse greater enthusiasm in a popular meeting than an assurance that the national flag has been unfurled upon a distant island, where, perhaps, unregenerate savagery prevails; nor, on the other hand, can any crime exceed in enormity the act of hauling down the flag where it has once been raised.

The moral basis on which expansion is justified by its advocates is the claim that large portions of the earth's surface are in the hands of nations or tribes who are guilty of an under-development of their natural resources. As the world becomes more and more densely populated, — so runs the argument, — the natural wealth of the remoter regions must be utilized for the benefit of mankind, and if any nation or tribe, by the use of antiquated methods of production, or by total neglect of certain parts of its resources, such as mines or forests, stands in the way of this great need, that nation or tribe must pass under the political power or tutelage of a nation that will draw from the earth the utmost quantity of produce. At any rate, the world must be policed, so that in every part of it investments of capital may be made securely, and so that industrial works may be carried on without annoyance or molestation from the natives. Few nations, however, stop with this demand. Most of

them frankly regard the world as the inheritance of the most powerful races, which have a right to replace those that are more barbarous or less well endowed with force of mind and character. An advocate of radical methods of colonization says, "It is an inexorable law of progress that inferior races are made for the purpose of serving the superior; and if they refuse to serve, they are fatally condemned to disappear."[1]

Unhappily, there is considerable danger that national expansion, if animated by such principles, may lead to dreams of world empire. The seed sown by the Romans, from which they themselves harvested great power and influence, and from which the Germans of the Middle Ages reaped both romantic fame and deep sorrow, is still sleeping in the thought of the modern world, and is likely to spring up again unless overweening national ambitions are bridled. The fear is often expressed that, when the nations shall have appropriated the surface of the earth and shall stand fully armed, facing each other, the elemental force that compels expansion will not then down, but will bring about among the strongest a great final struggle for dominion. Often those who talk most of peace have an *arrière pensée* that

[1] William Harvey Brown, *On the South African Frontier*. Leading German historians, like Mommsen, Sybel, Ranke, and Von Holst, uphold the theory that the superior nations have the mission to civilize the inferior, if necessary, by force. See Von Holst, *Constitutional History of the United States*, Vol. III., pp. 269–272; also Treitschke, *Politik*, § 4.

through the particular peace which they favor — that between France and Russia, for instance — their nation may become great enough to impose upon the world the *pax Romana*.[1] It is paradoxical but true that the very accentuation of nationalism may lead, and if carried out to its ultimate conclusions must inevitably lead, to a revival of the Roman idea of imperialism; so that from out the group of struggling nationalities there may again arise a leader who will enforce upon the world that great peace within which there is no progress, but only stagnation. At the present time the national state is, indeed, as its advocates claim, a necessary condition of progress; but if it shall exaggerate its nationalism, it will ultimately defeat the very purpose by which its adherents justify its existence.

We should here distinguish between the spirit of modern national imperialism and that which animated the Roman Empire. The cardinal difference between the two is that the ideal of the latter was the comprehension of all civilized nations under the sway of a world empire, while the former recognizes the separate existence of national states. *Orbis terrarum* and *imperium* were convertible terms to the Romans; there was only one empire, which embraced the world, or at least its desirable parts. Separate nationalism was not respected; in the words of Ihering, "The spiritual substance of Rome is an acid which,

[1] See Leo Tolstoï, *Patriotism and Christianity*, Ch. II.

when brought in contact with the living organism of a nationality, acts as an irritant and dissolvent." National imperialism, on the other hand, takes as its basis a national state and is not inconsistent with respect for the political existence of other nationalities; it endeavors to increase the resources of the national state through the absorption or exploitation of undeveloped regions and inferior races, but does not attempt to impose political control upon highly civilized nations. Napoleon, indeed, strove to revive the Roman form of imperialism, but the rising spirit of nationalism was too strong for him; against the forces of historical development his genius was of no avail.

The nineteenth century has been an age of nationalism. The twentieth is to be the age of national imperialism. The treatment of Machiavelli at the hands of modern historians and literary critics fitly illustrates the political temper of the present era. The philosopher and guide of the great statesmen who with firm and unscrupulous hand moulded the national state in its first beginnings, Machiavelli was thereafter long decried as the spokesman of the evil one, an *advocatus diaboli*, even by a Machiavellian of the consummate craft of Frederick the Great. Within the past century, however, his character as the apostle of nationalism has won recognition; and especially in those countries that have been struggling for a realization of national existence, —

Germany and Italy, — his fame has risen so high that, as a political philosopher, he ranks second only to Aristotle.[1] His main doctrine — that in great historical developments, as at the birth of nations, ordinary rules of morality cannot be held binding upon a statesman, whose sole duty is to secure the existence of a state within which morality and civilization can thrive — has again become the guiding influence of politics.

As the founders of nationalistic policy looked to Machiavelli as the best exponent of their ambitions and methods, so the statesmen of the present régime of national imperialism could also find many lineaments of their political personality mirrored in the pages of the great Italian of the Renaissance.[2] When the philosophic optimism of Rousseau and Hegel had passed for the time, realism and a realistic policy (*Realpolitik*) came into favor. Such ideas as that of a world peace, of justice to a hostile nation, of development of civilization by the united efforts of humanity, were looked upon as mirages of optimism. The state is founded, not on reason, but on the will, and those dark, half-understood forces that sway mankind, expressing themselves in the prejudices and customs of nations, are of more importance

[1] Cf. Treitschke's *Politik*, § 3; Lord Acton's introduction to Burd's edition of Machiavelli's *Prince*.

[2] Greenwood, "Machiavelli in Modern Politics," in *Cosmopolis*, August, 1897; "The Law of the Beast," *Nineteenth Century*, October, 1897; Frederic Harrison, "The Modern Machiavelli," *ibidem*, September, 1897.

to the statesman than are the rational systems of philosophers.[1] The idea of a serene equilibrium maintained unchangeably, a balance of power, under which everybody can live in ease and peace, has given place to the conception of a great struggle among warring forces. A people is no longer satisfied with mere security and with a moderately wealthy national existence. Only in exercising its powers to the utmost, in "living itself out," does a nation find satisfaction.[2] So, in the birth struggle of national imperialism, just as centuries ago in the birth struggle of nationalism, Machiavellian thought and Machiavellian means are characteristic of political action.

We must not in all this attribute to Machiavellism any narrow meaning. It does not necessarily imply poison and crude prevarication. Its main thought is rather the old Greek conception that the state is the ultimate good to which everything else is to be sacrificed, since outside of the state no civilized existence is possible; that it is the state which protects morality, the civilized arts, and all the higher pursuits of man, and that only within the state can the family and other forms of human association thrive and be protected; that, therefore, with the death or decadence of the state, all that makes life endurable is swept away. It follows that for the preservation and

[1] Cf. Ferdinand Brunetière's sneers at the *intellectuels* in *Après le Procès*.

[2] Like the modern man of Ibsen's dramas.

strengthening of this first condition of civilized life any means are allowable. This extreme doctrine of the state as the ultimate aim of existence recognizes no mutual duties among the various states. On the contrary, according to that view, hostile nations face each other with the vicious cruelty and cunning of wild beasts. Force rules, manipulated by art and craft. That force, indeed, need not be mere brutality. Everything that makes a nation strong, its knowledge, its mechanical skill, its industrial capacity, will contribute to its force.

To Machiavellism the philosophers of the modern state are prone to superadd a finalism derived from Hegel and the theory of evolution. Force, with them, is regarded as the index or measure of fitness: as the strongest, the most resourceful, survive, these must be the true agents of civilization — through them the human spirit realizes itself.[1] From the Egyptian to the Greek, from the Greek to the Roman, the torch of civilization was passed along to be grasped at last by the hand of the vigorous Germanic races. To Hegel, it is the Prussian state which is the ultimate representative of civilization. Other nations argue very logically that if civilization has changed its agents in the past, it may do so in the time to come. Thus the Russians predict the greatness and civilizing mis-

[1] See opinions of eminent historians and philosophers, cited by Lord Acton, in his introduction to Burd's edition of Machiavelli's *Prince*.

sion of their northern empire in the not too distant future.

It would be unwise to take too gloomy a view of things, but we must notice, unless we allow ourselves to be duped by appearances and professions, that the methods of Louis XI. and Thomas Cromwell, of Elizabeth and Richelieu, are again used to-day, with only such differences as are occasioned by the changes of time and circumstance. What those monarchs and ministers did to found the national state, modern statesmen are doing to found the national empire. Of this there is no lack of illustration. Thus, the most momentous political actions and reprisals are based upon claims that would hardly justify more than a demand for indemnity. Under the pretext of exacting satisfaction for the murder of missionaries, Germany enters the territory of China and obtains there a permanent foothold and most valuable concessions. Britain, desirous of securing its paramount control in Southern Africa, seizes upon the pretext of Uitlander grievances to make the Boers of the Transvaal acknowledge their dependence on the empire, and to interfere in the internal organization of their government, contrary to the international rules governing the relations of the two countries.

Friendship on the surface too often goes with concealed enmity and the employment of underhanded, treacherous means. Though Russia, France, and England are nominally on terms of

friendship, the former two countries, through their governments, recently rendered aid to a movement in which the fierce barbarian tribes of the Soudan were attempting to overthrow English control along the Upper Nile. With similar disregard for accepted rules of international conduct, Mr. Rhodes, the leader of the imperial policy in South Africa, organized a raid for the purpose of gaining political control over a country nominally on the most friendly footing with Great Britain. Published treaties are supplemented, and often rendered nugatory, by secret engagements with other powers. Thus Germany, nominally the ally of Austria, concludes a secret engagement with Russia, supposedly their common foe. The assurances of Russian diplomacy, especially with regard to affairs in the far Orient, are taken by all diplomats to be a mere means of concealing the real intention of that power.[1] Even the peace programme of Russia, while perhaps emanating from the really humanitarian ideals of the Czar, was supported by his ministry from very different motives. Peace in order to gain strength for the execution of ambitious projects in Asia is a very different matter from peace for the common benefit of humanity. The manner in which the cry of "humanity, liberty, and civilization" is abused, is another modern instance of Machiavellism. No matter how obvious and patent the motive of mere

[1] See Rawlinson, *England and Russia in the East*, p. 317; also Krausse, *Russia in Asia*.

material gain may be, the claim that savages are to be civilized, and that humanity is to be spread, never comes amiss. That the promised civilization often consists in a speedy eradication of the savages from the face of the earth must be read between the lines.

The manner in which all considerations are subordinated to what is believed to foster the greatness and strength of the nation or its peculiar interests is very clearly shown by the incidents of the Dreyfus trial, and by the fact that a nation priding itself on its liberal principles, nevertheless concluded an alliance with Russia, and became almost frantically enthusiastic at the prospect of added strength which that arrangement opened up. Even on this side of the Atlantic, reports of the suffering of weavers in Saxony and Silesia, occasioned by the closing of the American markets through protective tariffs, have been received with joy and acclamation as a proof of the efficacy of a national industrial policy. The older ideas of the solidarity of humanity, of universal brotherhood, have largely lost their force, and have been replaced by a narrow national patriotism. Thus, a prominent member of the American Peace Commission of 1898 stated during the proceedings at Paris that "the will of the conqueror is the treaty."

The utilitarian aspect of national imperialism is very clearly stated by Edward Dicey, when in the following language he explains his position as an expansionist : —

"In every part of the world, where British interests are at stake, I am in favor of advancing and upholding these interests, even at the cost of annexation and at the risk of war. The only qualification I admit, is that the country we desire to annex or take under our protection, the claims we choose to assert, and the cause we decide to espouse, should be calculated to confer a tangible advantage upon the British Empire." [1]

Using the case of Venezuela as an illustration, Mr. Dicey expresses the belief that the claims of that republic were utterly unjust, and that the intervention of the United States was legally and morally indefensible; but that, as the territory in question would have been of no material value to the British Empire, it was wise not to enforce the claim. This really amounts to saying that no matter how good the right of a nation may be, it is folly to insist upon the enforcement of that right unless it will "pay." Or, perhaps, it would be more just to state the proposition in this manner: The statesmen to whom the welfare of a nation is intrusted are not warranted in spending its blood and treasure for any merely sentimental, idealistic purposes, no matter how inspiring they may be; the aim of statesmanship must always rather be to further the real, vital, material interests of a people, and only where these can clearly be advanced is a sacrifice of national resources justifiable.

[1] Edward Dicey, "Peace and War in South Africa," *Nineteenth Century*, September, 1899.

As we glance over the incidents that shed light upon the present tendency of politics and seem to mark it as narrow and selfish, we are likely to overlook the fact that along with the increased intensity of rivalry there has come also an honest desire to raise the level of competition among nations. Most statesmen to-day would rather employ honest and humane means; and just so far as they are assured by international agreement that other nations are bound to the same condition, they will gladly relinquish the use of the instruments of Machiavellian politics.

The recent Peace Conference at The Hague has marked a stage of real progress in this respect. Although the disarmament proposals were from the first doomed to failure, because no nation will allow its military strength to be limited from without; still, there was a real coöperation among civilized powers for the better adjustment of international difficulties. The arbitration tribunal for which the Conference made provision is by many regarded as a merely nugatory institution, which may serve to inspire sentimentalists with hope, but which can be of no real use in practical politics. But it must be remembered that all ordered jural relations have had their origin in informal arbitration. By the Conference, the system of arbitration has been given a settled form, and even though no effective sanction has as yet been established, the habitual regularity of international relations has certainly been promoted.

Article 27 of The Hague Convention even allows friendly nations to use their moral influence to induce neighbors whose interests are conflicting to submit to arbitration. How effective this article is considered, though it does not provide for obligatory arbitration, is evidenced by the strong objections which are made to it by the German nationalists, who hold that it savors too much of gratuitous intervention in the affairs of other nations.[1]

Another very important institution created by the Convention is the Commission of Inquiry. Too often national conflicts are the result of misunderstanding. If time be taken to investigate and clear up the facts, the difficulties generally disappear of themselves. These Commissions of Inquiry have been instituted to afford a regular means of obtaining light on intricate international questions, and their use has been recommended to civilized nations in the hope of promoting a better understanding among them.

Of course, from these results to the effective establishment of a world peace is a far cry. World unity may be approached by either of two systems: by federation, gradually growing into compact solidarity; or by unrestricted competition, with the final preponderance of one great power, which shall absorb and assimilate all the rest.

[1] This is the ground of criticism taken by Professor von Stengel, a German member of the Conference, in his public discussions of its results. See also his *Der ewige Friede*.

It is undoubtedly the former ideal for the gradual realization of which most men are hoping, but its time has not yet come. The world is not, as a matter of fact, a community with complete, conscious solidarity of interests and ideals.[1]

It is, however, very doubtful whether political world unity is in any case desirable. Our imagination instinctively shrinks from the thought of a régime of dead uniformity throughout all the countries of the globe: whether it be imposed by the harsh will of a despotic, conquering race, or reached by the gradual assimilation of all nationalities, such a prospect is equally uninviting. We should ponder this well before we express a wish even for the gradually increased paramountcy of our own civilization; for even that would mean in the end a deadening uniformity.

Far preferable is the present state of international equilibrium, with the intense rivalry among peoples that brings out their strongest characteristics. Even with its occasional discords, the present general harmony of the concert of nations is to be preferred to the dead monotone of a world state. Each nationality is in this competition given an opportunity to develop its characteristics freely, and to enrich the general

[1] The procrastination of the Delagoa Bay Arbitration Commission has just at present given rise to some doubts as to the efficiency of arbitration. The proceedings extended over nine years (1891–1900). It may, however, be confidently expected that under the new organization such delays would be avoided.

life of the civilized world with its distinctive literature, art, music, and moral ideals. The rapid social progress since the Renaissance is certainly due in great measure to this rivalry of independent nations, constantly invited to self-criticism by the successes and failures of their neighbors. At present, civilization has the benefit of the constant mutual criticisms among nations, by which an intelligent and real public opinion of the world is created; in this manner the individual bent of a particular nation is restrained from becoming exaggerated into a vice or engendering a danger to the general welfare.

The rivalry among nations is sharp, and calls for the constant exercise of all their intellectual, moral, and physical powers, in order to avoid the decadence that would lose them their position in the family of nations. So fierce does this struggle at times become that to men of pessimistic mood a great world warfare seems inevitable within the near future. We should, however, avoid the temper of mind that constantly engenders suspicions and exaggerated fears. Thus far, happily, no nation has acquired enough preponderance to threaten really and effectively the political existence of its neighbors. Most of the mutual fear and mistrust that mar the harmony of nations is founded on misunderstanding. There is, it is true, a great danger to civilization in this constant misinterpretation of motives; and it were well if people would set about it to study seriously the

political ideals, motives, and aims of other nations, rather than seize upon every pretext to scent a trace of bitter enmity. Thus, though the expansion of Russian influence in Asia is undoubtedly a serious matter, and may entail very grave consequences on Western civilization, that gross misrepresentation of every act, motive, and impulse of the northern empire and its government, with which we are constantly meeting, tends to obscure the clear vision of actual political facts, and at the same time is likely to engender deep resentment among the Russian people. It is in the interest of civilization that nations should watch each other carefully, and that they should not permit any one power to obtain undue advantages over others; it is equally important that this be done in a spirit of mutual understanding and amity, without sowing the seed of hatred and unending dissensions.

CHAPTER II

Political Methods of the New National Imperialism

After these more general considerations, it may be in place to review briefly the specific consequences of the new spirit in world politics, and the methods adopted by the various nations to meet the new contingencies.

With the recent developments in imperialism, attention has been directed to the great importance of sea power. The struggles among the continental nations of Europe have to be fought out chiefly on land, and therefore huge armaments are still considered necessary. When imperialism is superadded to nationalism, strong navies also become a condition of existence, since they alone can protect transoceanic possessions and ward off invasion. Among imperial powers holding transoceanic possessions, naval warfare rather than land warfare will, in many cases, be decisive in the future, and an empire that does not maintain a navy will be shorn of its dependencies, as was Spain by the United States. After the middle of the present century, the navy was for a time

neglected in England; but with the growth of imperialism since the time of Beaconsfield, there has been a remarkable revival of interest in naval power. This has been taken as an omen, a portent, by the continental nations, who follow the lead of England as rapidly as they can.[1]

While navies are highly important for the protection of colonies and sea-borne commerce, their efficiency in attacks upon the mainland coast defences has diminished. The protection of oceanic communication is, therefore, the chief function of modern navies. Formerly, navies exerted an important influence by attacking the coastwise trade of an enemy. Pressure of this sort can no longer be exercised to the same extent, since railways can now be used to transport merchandise between the different parts of a national realm and neutral ports. Thus, in case of a war with a continental nation, the naval position of England as an assailant would, in this respect, not be so strong as at the beginning of this century. However, nations of the first class are no longer confined to the mainland of a single continent, and hence the importance of navies has been increased, while the number of their functions has diminished.

[1] The actual increase at present planned and contemplated in Russia and Germany will be considered in a later chapter. The importance of navies as protective agencies will be realized when we consider that at present seventy per cent of the total trade between the ten leading nations is sea-borne.

The effect on future warfare of this increased importance of navies must not be overlooked. War will be waged by means of carefully constructed machines, and the importance of engineering skill and marksmanship is constantly being enhanced. Decisive battles will be fought with less loss of life, with less suffering, carnage, and rapine. At the battle of Santiago, when the engines of war had been demolished, the object of warfare had been gained, and the victorious fleet could devote itself to saving the lives of the vanquished. By surrounding himself with a colossal floating armament, man can exert to the utmost his ingenuity and skill. Intellect is protected, and the most revolting accessories of warfare are avoided. Ships suffer, while lives are spared. The pride which nations take in their majestic battleships is, therefore, justifiable, since all the industrial and intellectual energies of the nation can typify themselves in these instruments. Of course, wars of extermination between two powers are still possible; but as conditions will be in the next century, a power, after the complete destruction of its navy and commerce, may realize that further resistance is futile, and thus the terrible sufferings of land warfare may be avoided. To a modern empire, therefore, a strong navy is of as great importance as a strong standing army.[1]

[1] On account of the compactness of the Russian dominions and their geographical situation, the above considerations do not apply with the same force to Russia as to other powers.

Navies are by some deemed especially compatible with democracy, while standing armies are always regarded as aristocratic or monarchical institutions, — aristocratic, because fostering an official military caste; monarchical, because requiring the single and permanent headship which is best afforded in a strong monarchy.[1] The social organization favored by a strong army is thoroughly opposed to democracy; an artificial code of caste honor, special privileges for a military aristocracy, subordination of all interests to those of the army, are almost inevitable results of militarism.

The navy, on the other hand, cannot exert such a deep and immediate influence on the internal social and political life of the nation. Without laying too much stress on the fact that Athens, Holland, and Great Britain, the greatest naval powers of the ancient and modern world, were popular republics, and that no admiral has ever overturned his country's liberties, we may justify the belief that large navies are safer instruments of power for democratic states than standing armies, from the very nature and character of the two. The navy does not come into such direct contact with the life of the people as to influence social organization in accordance with its own system of official aristocracy and popular subordination. Moreover, the life on board a man-of-war, among officers and men, is more democratic, has

[1] See Treitschke's *Politik*, Vol. II., p. 356.

more of *camaraderie*, than is the case in a land army.

In this connection, the growing importance of sea communications, protected trade routes, and naval stations, claims our attention. Modern imperialism is more vitally interested in commercial expansion than in territorial acquisition; the great nations are becoming more and more dependent on transoceanic markets. To obtain these and to secure their future accessibility and development, the trade routes leading to them must be protected; and to this end, navies, as well as coaling stations and trade entrepôts, are indispensable.

Recent history can be correctly and fully understood only when read in the light of this necessity of safe and uninterrupted communication between the older nations and their markets and dependencies. This consideration has been at the basis of the English policy in the Orient and in Africa. Constantinople had to be protected from Russian encroachment, and Cyprus was virtually annexed, in order that the Mediterranean route to India might not be menaced; on the same foundation rests the friendship between Great Britain and Italy and the occupation of Egypt, whose importance as a station on the road to the far East Napoleon with the intuition of genius fully realized. Even South African politics are largely influenced by this same consideration. The Transvaal war is explained and defended on the ground that Great Britain must protect her position at the Cape, the

most important station on the alternative route to India, against attacks from the rear, and that for that purpose she must extend her dominion as far as possible into the interior and break the separatist ambition of the Boers. To be sure, it is highly doubtful whether the Boers would have contemplated an attack on the British power at the Cape, and, even so, whether the price paid in practically allowing Russia free hand for the time in Asia is not too heavy, even in return for a complete accomplishment of English policy in South Africa. But in any event the truth remains, that the whole political situation, from Constantinople to the Cape of Good Hope, has been influenced by England's need of protected communications.

German imperial policy is also animated by the purpose of developing oceanic commerce and acquiring naval bases for its protection,[1] while the recent developments of American expansion obtain their chief significance from the fact that Cuba, Hawaii, and Manila are important stations on great oceanic trade routes, — that of the Nicaraguan Canal, and that leading to China and India from our western coast.

Coming now to the methods by which national expansion is effected, by which, in other words, entrance is gained to territory not yet appropriated by the great powers, we have to consider in the first place the influence of missions. There is a measure of truth in the saying that the flag follows

[1] See Part IV., Ch. IV.

the missionary and trade follows the flag, although the favorite example cited in Germany, — that of the same British ship taking out missionaries and cheaply manufactured idols, — may be slightly tinctured with international pleasantry. The importance attributed to this agency by the powers is well shown by the struggle between France and Germany for the right to protect the Roman Catholic missions of the Orient. France has been the traditional protector of Catholic Christians in the East. This monopoly it has been the constant effort of Germany to break down by using all the influence which the emperor could bring to bear at the Vatican. The emperor has asserted his right to the protectorate over certain German communities of missionaries. And we all know how a protectorate of this nature was utilized in China, the emperor demanding reparation for the murder of missionaries at Kiao-chow, and making the outrage a pretext for gaining a permanent foothold in the Celestial Empire. His exertions to gain from the Vatican a religious protectorate in Palestine and Syria have not been successful, but he has nevertheless declared it to be the right and the policy of the German Empire to protect German missionaries wherever found.[1] As the priority of appearance of a nation on unappropriated

[1] See an article on "La Politique Allemande et le Protectorat des Missions Catholiques," *Revue des Deux Mondes*, September, 1898. Also Étienne Lamy, "La France du Levant," *ibid.*, January, 1899. See further treatment in Part IV., Ch. II.

soil is of great importance under the doctrine of preoccupation, the emissaries of religion who begin the civilizing process are, under the present exaggerated conditions of competition, most valuable advance pickets of national expansion.

The connection between expansion and commerce has next to be considered. There has been much heated controversy as to the relation between commerce and political protection. Does commerce really follow the flag? It is indeed true that the English have lost commerce relatively and even absolutely in a number of their possessions and protectorates, including Canada, Egypt, and even India, while Germany, without any political standing in these regions, is everywhere gaining heavily.[1] At the present time, when many nations are competing for the world's trade, it is not so easy as it formerly was to render a new colony commercially dependent. Thus, British trade is still most prominent in the older British colonies, and in possessions where it has long been established, as in India, Australia, and the Cape of Good Hope. The persistence of British-Australian trade relations is attributable to the fact that Australia was settled by true English colonists, who naturally continue to supply themselves with the manufactures of their mother country. The element of mutual needs, coupled with that of similarity of

[1] See Farrer, "Does Trade follow the Flag?" *Contemporary Review*, December, 1898; Von Brandt, "Indien," *Deutsche Rundschau*, August, 1899.

tastes and habits, which characterizes the relations between manufacturing England and her agricultural colonies, is the most natural cause for permanent trade relations. As long as this mutual helpfulness continues, it will be difficult to divert trade from these channels.

In Canada, the element of geographical situation becomes prominent, that country taking only thirty-three per cent of its imports from the mother country, while Australia takes seventy-one per cent. The influence of geographical situation is also seen in the predominance of American trade in Cuba, and in the great volume of commerce transacted between Algiers and France. Naturally, with increasing facility of communication, the factor of geographical situation becomes steadily less important.

It is also necessary to consider the mechanism of trade, — banking relations and the merchant marine. The conquest of South American trade by British and German merchants has been due entirely to these instrumentalities. Geographically and politically the United States would seem to have a decided advantage in the competition for this trade, but there are no direct banking relations and very few direct sea communications between North and South America. The old world, on the other hand, has established such means of commercial intercourse with the Latin republics, and an ascendency has thus been created which can only be replaced by the fostering of similar

institutions to connect the various parts of the Western continent.

The great strides which German commerce has made in the last two decades afford sufficient proof that commerce and industry can flourish in foreign lands without territorial annexation. The German merchants of South America have even been favored by the very fact of their abstention from politics. When we consider the other elements, — racial affinity, long-established trade connections, geographical situation, and efficient financial and transportational communications, — the bare fact of political supremacy seems to afford very little aid in the effectual or permanent fostering of commercial relations.

The one advantage which political control clearly bestows upon its holder is a financial influence, by means of which many of the large contracts for internal improvements may be thrown into the hands of citizens of the controlling power. France has made the effort to use her political influence for this purpose in Indo-China,[1] but it will hardly be claimed that the vast amount of treasure which has been spent in acquiring and maintaining that control has as yet been justified by an adequate return. It is, therefore, very questionable whether a nation incurring large colonial expenditures can reasonably cherish the hope of reimbursing itself or its citizens by the exploitation of inland resources in backward colonies.

[1] See Part II., Ch. III.

As affecting the true importance of the question just discussed, we must also consider the small volume of the total colonial trade as compared with the commerce among independent nations. The highly civilized countries of Europe and America offer far better markets to each other than could ever be expected of the colonies. Great Britain is a specially rich and favorable market to the other nations; they would, therefore, be involved in the suffering, should that empire, a marvellous political and economic organism, be destroyed. Great Britain alone buys as much of Russia as do all the other leading continental powers taken together. As to colonial trade, it has been computed that it amounts to only 9.5 per cent of the total exports and 11.6 per cent of the total imports of all the commercial nations.[1]

When Great Britain was alone in the field of colonization and colonial commerce, it was quite true that trade followed the flag; but with the growing competition, matters have changed: hence the free-trade principles of England, under which the whole British Empire has been so liberally thrown open to the world's commerce, have recently found many opponents at home. These protectionists point with apprehension to the policy of Russia and France, who, as soon as they acquire new territories, erect about them a pro-

[1] See Flux, "The Flag and Trade," in the *Journal of the Royal Statistical Society*, September, 1899.

tective wall in the hope of exploiting them for the exclusive benefit of the home country. From this they argue that England must in self-defence adopt similar measures. It cannot be denied that a growth of protectionist feeling and policy is going hand in hand with the growth of imperialism. Germany and the United States are intensely protectionist at home, and there will of course be the strongest pressure brought to bear by the protected interests to induce them to extend these principles to their colonial possessions. In England herself, the stronghold of "Manchestrianism," it is not unlikely that modifications will be made, which, to use the language of Chamberlain, "do not comport with old free-trade doctrines."

In the last few decades the policy of England toward her self-governing colonies has been to allow them complete freedom of fiscal and revenue arrangements, and to grant to all countries the same treatment in these dependencies which she herself enjoys. In her protectionist colonies the mother country has paid the duties without asking any favor on account of her position. This unusual liberality was guaranteed by the most favored nation clauses in the German and Belgian treaties with England.[1] In 1897 Canada, whose overtures for closer commercial relations with the

[1] The Belgian treaty of 1862, the German *Zollverein* treaty of 1865. Article 5 of the latter declares that "any favor, privilege, or reduction in the tariff of duties which either of the contracting parties may concede to any third power, shall be extended immedi-

United States had not received sufficient encouragement, desired to give the mother country preferential treatment, and here it was that the traditional policy of England was for the first time abandoned. In 1898 the treaties with Germany and Belgium were rescinded, and the way was thus cleared for a preferential tariff in favor of Great Britain, which was soon passed by the Canadian Parliament.[1] This is the first step toward the realization of Mr. Chamberlain's project of a great British *Zollverein*, within which products are to be freely exchanged, but which is to be walled off from the outside world by protective duties.[2]

The danger threatened in this growth of protectionist sentiment is that of cutting up the world into a number of mutually exclusive spheres, making trade national, and accentuating still further the excessive antagonisms between various countries. It cannot be expected of Great Britain that she alone, of all powers, shall keep her pos-

ately and unconditionally to the other." Article 7 excludes discrimination in favor of the mother country by the British colonies as against the *Zollverein*.

[1] The preferential rates in favor of Great Britain, India, and New South Wales, are 25 per cent lower than the general rates.

[2] He first definitely outlined his policy in a speech before the Congress of the Chambers of Commerce of the empire, on June 8, 1896. Free trade is to be adopted throughout the empire, but the individual parts are to be left free to impose duties on foreign imports. Great Britain herself is to lay a tariff on agricultural products, so as to favor her colonies against the rest of the world.

sessions open to all the world, and at the same time submit to exclusion by hostile tariffs from the markets of Russia, Germany, France, and the United States. Russia and France are completely committed to an exclusive commercial policy. It remains then for the other three nations to maintain in their new protectorates the policy of equal opportunity for all civilized nations. If the expansion of trade, naturally cosmopolitan, is to be interfered with for the purpose of building up mutually exclusive national empires, commerce and industry will have to pay the cost of expansion, and the growth of the world's wealth will be infinitely retarded.

Commercial intercourse with remote regions of the globe leads naturally to industrial undertakings, to the fostering of waterways, to the building of railways, to the mining of coal and metals, and finally to manufacturing enterprises.

Within the last two decades there has been a radical change in English economic life. Up to the eighties, the tendency was to make England the industrial centre of the world. English manufacturers, English workmen, and English exports were the chief consideration. But when English industry had been developed to its utmost capacity, and when inviting foreign fields beckoned the investor, Great Britain had to become more and more capitalistic rather than industrial. Since hostile tariffs were keeping out from the American market the goods of England, the overflowing

capital of that country founded huge manufacturing establishments in the "States," where the protected articles are now manufactured. So, too, in Asia, Africa, South America, — wherever natural wealth is waiting for development, — the British investor has been at hand. Vast returns are received by England in the form of dividends. The balance of trade is constantly against England, but almost one-third of the imports which she receives consists of returns on capital invested abroad and in the colonies. Hence has arisen the more modern conception of England as a financial centre from which the industrial operations of the whole world are to be conducted, from which capital is to flow, and to which produce is to return again, — the conception of another and a better Rome, drawing its sustenance from distant provinces.[1]

It is this development that causes the demand for policing the world. Governments in many parts of the world are too unstable, too corrupt, to admit of safe investments being made under them. Civil courts in these backward lands are often ruled by favoritism or bribery, so that the property of a foreigner is not secure. From this naturally arises the demand that stable, responsible govern-

[1] A development of economic life, similar to that above traced, is also going on, though on a smaller scale, in France and Germany. According to a report issued by the German government in March, 1900, German capitalists have invested 7,500,000,000 marks in oversea manufactures, trade, and agriculture.

ment be established so as to make possible the development of resources, even against the will of the inhabitants, where they stubbornly oppose all industrial progress.

In this way, the real needs of the expanding human race are united with the self-interest of capitalism to form a lever for expansion. Though true, it is a one-sided view that imperialism is the selfish policy of capital. Did it not represent the real demands of the human race, which is increasingly in want of available sources of sustenance, imperialism could not have become the force it is in modern politics. It is often difficult to distinguish the narrow selfishness of individuals, craving fields of exploitation, from the real demands of human progress; at all events, we must beware of a too easy optimism which forgets that often a harsh and cruel struggle for existence is really going on between superior races and the stubborn aborigines.

The seriousness and sadness of this struggle cannot be hidden under optimistic cant. Even those who, like Miss Kingsley,[1] are most friendly to the savages, hold that they cannot be civilized according to European standards. There are but few who, like Robert Louis Stevenson,[2] appreciate the real virtues of these humble members of the human family, sympathize with their inner life, and find there things as worthy of love as are

[1] Mary H. Kingsley, *West African Studies*, London, 1899.

[2] Robert Louis Stevenson, *Vailima Letters*.

the more vaunted virtues of a higher civilization. The men who, as civilization pushes forward its outposts, come in contact with the savages, usually have no ability or desire to understand them. Cruel methods of conquest and subjection are pursued, and most of these races would be happier if they had never seen their civilizers.[1] It is well, then, to look the facts clearly in the face and to recognize that it is a serious and sad duty which the white race is performing in making way for its own further expansion. The white man has burden enough of his own to carry, and too often his interference makes the existence of the inferior races yet more toilsome and weary.[2]

The mere supplying of capital, however, is only the first stage of industrial expansion. In many regions, there is no local material which can be utilized in building up the managing personnel, and works have, therefore, to be constructed and industries organized by Europeans. Adherents of modern national imperialism urge it as a duty which

[1] Bryce, *Impressions of South Africa;* as to forced labor, p. 370. Isabelle Massieu, on Burma and the Shan States, in the *Revue des Deux Mondes*, for 1899.

[2] Discussions in the German *Reichstag* have brought out many instances of great cruelty against natives on the part of colonial officials. Herr Bebel, a socialist deputy, has repeatedly called the attention of the government to such outrages, notably in the case of Dr. Carl Peters, the noted explorer, and of a certain Prince of Arenberg, both of whom were guilty of gross cruelty and wanton disregard of life in the African colonies. *Mutato coelo mores mutantur.* Men often change their moral principles with the climate. See *Reichstag* Debates, February, 1900.

capitalists owe to their country not to furnish means for the construction of works by alien entrepreneurs, but to use all the resources at their disposal for industries organized by their own countrymen. "High finance" (*la haute finance*) itself is thus becoming nationalized. Cosmopolitan as it essentially is, it has nevertheless been made the servant of patriotic ambitions. The "high finance" of Germany originally invested in foreign state paper and railway bonds. Thus Servia became one of the greatest debtors of Germany, borrowing money to be used in industries marshalled by Belgians and Frenchmen. The Germans received only the interest on their bonds; the others, all the industrial and economic advantages connected with the construction of extensive public works. Governor von Wissmann declared that the non-participation of German capital was a chief hindrance to the development of German East Africa. After having been backward so long, German capital has suddenly changed its policy, and is now rivalling Great Britain in the direct development of transoceanic industry. German mining enterprises and factories are becoming common in China and in Asia Minor. South America counts three great German banks with a capital of over two million dollars each, besides numerous lesser banking firms, through whose instrumentality commercial relations with Germany are facilitated and vast industrial undertakings are marshalled.

In their bearing upon political power, the most

important industrial undertakings are railways; and for this reason railway concessions are most eagerly sought after and defended, even when their industrial value is not immediately apparent. In the first place, railways are necessary for the purpose of developing concessions in mining and forestry. The government that controls the railways not only determines the opening of these resources, but also directs the entire intercourse of adjacent regions.

This industrial control very readily passes into political control when disturbances of any kind occur. The political character of railways is perhaps most apparent in Manchuria, where the Russian army of occupation, now permanently stationed in that province, was brought in under the pretext of protecting and policing the Russian railway leading to Port Arthur. But while this is the most striking example of the political use of railway concessions, very significant instances may be found elsewhere. Thus, in order to strengthen her hold on India, as well as to secure a paramount position in the states along the Persian Gulf, and also to counterpoise the advantages derived by Russia from its Siberian railway, Great Britain has been planning a railway from Alexandria to Shanghai, which, following along the Gulf of Persia, is to pass through India and down the Yangtse Valley in China. The Indian railway system, comprising about two thousand miles already constructed, would be used as a

part of this transcontinental line,[1] which, however, Russian influence may seriously interfere with.

The railways of Asia Minor and Syria are being constructed by German and French capital. The British railway plans for that region have been, at least temporarily, abandoned on account of the advantageous position at present held by German diplomacy in matters concerning Asia Minor. There are further railway undertakings planned in the Chinese Empire, some of which are already in the course of execution.[2] Canton is to be connected with Peking by a trunk line. The northern portion of this concession, from Peking to Hankow, is in the hands of a Belgian syndicate, which is backed by Russian and French capital. The fact that this concession enters into the very heart of the Yangtse region may lead to serious political complications in case the Russian and French connection with the undertaking is kept up. The southern portion of the same line, leading from Hankow to Canton and commercially more important than the northern section, is to be constructed by a syndicate which was originally American, but which is now also supported by British influence and capital.

The political importance of railways in China was recognized by Germany when that country opposed the concession to the Anglo-American

[1] Cf. C. A. Moreing, "An All-British Railroad to China," *Nineteenth Century*, September, 1899.

[2] For a fuller account of these, see Part II., Ch. II.

syndicate of the right to build a railway from Tientsin to Chingkiang across the province of Shantung. The compromise which was finally concluded with Great Britain in this matter acknowledges British control of industrial undertakings in the Yangtse region, while reserving to Germany the entire field within Shantung. That the politics of China are the politics of railways is a statement as extreme as it is epigrammatic, but it contains more than a grain of truth.[1]

Industrial undertakings of the kind just discussed naturally lead to colonization. Whenever capital is applied on a nationalistic basis, the entrepreneurs and managers, the engineers and foremen, who undertake the development of resources, will belong to the same nation and will form an industrial settlement. It is becoming an article of nationalistic faith that the capitalists of a nation shall give preference to engineers and master workmen belonging also to that nation. This is the type of colonization especially fostered by Germany. The industrial colonization of Asia Minor and of South America is assuming very considerable proportions. Colonization by agricultural settlements is also at times encouraged, especially when it is probable that the colonists can be kept together and retained in allegiance to their mother country.

[1] Valentine Chirol, *The Far Eastern Question*, London, 1896.

CHAPTER III

The Great Powers as Colonizers

In considering the principal powers as colonizers, there appears a vast diversity of methods and ideas. Russian colonization has been almost entirely agricultural. In past centuries, spreading gradually from Little Russia over the plains and steppes to the north and east, Russian population advanced with an avalanche-like motion which continued even when the boundary of Asia was reached. And to-day, though the political methods of Russia have become more consciously systematic, agricultural colonization is still the keystone of her expansion. Intensive farming has never been common in Russia, and vast tracts of new soil are therefore necessary to sustain the constantly expanding population. As the way to the west was barred by Germans, Poles, and Hungarians, the star of Russian empire has constantly moved toward the rising sun.

In its latest phases, the character of Russian colonization has undergone significant changes. The original occupation of Central Asia by Russia was

largely military in method, a fact due to the initiative and ambition of military officers stationed in that country. Thus, under the veil of punitive expeditions, tribe after tribe of the natives was conquered and subdued, and a firm military administration introduced. The methods pursued by the Russians in these regions were at first harsh and relentless. By striking memorable blows, they terrified the population and deprived the people of their leaders. After these first steps, however, they adopted more suave methods. The surviving leaders they endowed with official appointments, and took them to the West to admire the power and splendor of the Czar. Russian industry and commerce were gradually introduced and tracts of land hitherto unoccupied were settled by Russian colonists. There was no attempt to introduce religious uniformity by state action; in Asia the empire has shown itself tolerant toward all beliefs. The natural affability of Russian character was given an opportunity to bear fruit in the establishment of closer relations and a better understanding with the natives.[1]

Of all European powers, Russia is in some respects the most successful as a colonizer in Asia. Herself semi-Oriental, she is not so far above the various tribes of the Asiatic plains as to misunderstand them. The Russians have an insinuating manner and great tact in diplomatic intercourse, and at the same time a political system the splen-

[1] See Curzon, *Russia in Central Asia.*

dor and concentrated majesty of which impress the Oriental mind far more than do the simple business methods of the Briton. They know when to use corruption, when to use force, and when to soothe with honors and decorations. Above all, their military and administrative officers fraternize with the leaders of the conquered peoples, and a feeling of solidarity between conquered and conquerors is the result. Indeed, many writers seriously question whether any other power can be permanently successful as a colonizer in Asia, when opposed by the craft and ability of Russia. Her perfect mastery of Oriental diplomacy, her ability to manage the most refractory materials, is proved by her recent unforeseen successes at Peking. It is by combining strength of purpose, irresistible will, and the show of great force, with the milder methods of corruption and official blandishment, that Russia is so successful in the Orient.

Germany, though a great colonizer, has not thus far been prominent in the establishment of political dependencies, as up to the present decade most of her colonists have been lost to the nation. Going chiefly to North America, they have rapidly become Americanized, and even though they may continue to cherish German culture and literature, they have changed their political allegiance completely. Like the Russians, the Germans have been very successful as agricultural colonists. In many portions of the United States, they have replaced the Anglo-Americans and the Irish in the

farming industry. Like the Dutch colonists in South Africa, the Germans are content to settle in a wilderness in the hope of turning it into an inviting abode and making it their permanent home. They shun no hardships; their regularity of work and their endurance assure them permanent success as agriculturists.

In our day, Germany is making great efforts to retain the political allegiance of the many colonists who leave her borders; she now endeavors to direct immigration to her own colonies and to Asia Minor, parts of which she hopes by ultimate political occupation to save for the German Empire. German agricultural and industrial colonies are also common in Brazil, in the Argentine Republic, and in Chile. In this connection, too, our attention may well be turned for a moment to the fact that the Germans have within the last decades developed remarkable ability as traders. The highly trained German clerks are to-day the admiration of the commercial world, and the German merchant colonies in places like Hongkong and Rio de Janeiro are rapidly gaining on the supremacy so long held by British commerce.[1]

In the political colonies and protectorates which Germany has established in East Africa and in the Cameroons, as well as in the Pacific Islands, real colonization has been slow to take root, because, in addition to the disadvantageous climate,

[1] Cf. A. Bellessort, "Villes d'Extrême-Orient," *Revue des Deux Mondes*, July, 1899.

the German administrative restrictions are unfavorable. The governmental bureaucracy of Germany, not being so flexible and adaptive in its modes of procedure as are the commercial classes, tries to apply to new settlements in the wilderness the methods of the Prussian police sergeant, with the result of so hampering the movements and activities of colonists that many prefer to settle in non-German territory.

The colonies of France cover a vast territory, although large tracts of it are practically worthless. For various reasons the French are not good colonizers. In the first place, it may be noted that there is no over-population in France forcing families to seek sustenance in foreign countries. Most important of all, perhaps, as a cause of failure in colonization is the fact that to Frenchmen the life of their home is too attractive to permit a thought of permanent residence elsewhere. As recent French writers have emphasized, there is too much attachment to the settled conditions of a civilized country, too little spirit of enterprise.[1] Young men are satisfied with a moderate income from an official position which enables them to enjoy the advantages of social life in the mother country. Again, the equal distribution of family property among children deprives France of the large class of penniless but venturesome younger sons who carry on so much of the imperial work of Great Britain.[2]

[1] Demolins, *A quoi Tient la Supériorité des Anglo-Saxons?*

[2] Beaussire, *Principes du Droit*, p. 269.

It is therefore remarked by all, that in French colonies very few Frenchmen, outside of the official hierarchy, are to be found. Indeed, during the present century there has been very little true colonization by Frenchmen in foreign lands. The French colonies in Canada, Louisiana, and South America have not been reinforced by accessions from the home country. Even in Algeria, which by its geographical situation is almost a province of France itself, there are only 318,000 Frenchmen against 446,300 subjects of other states.[1] The gospel of colonization preached by M. Jules Lemaître has borne little fruit.

On account of the rigid and illiberal colonial system introduced by the French bureaucracy, French colonies have very little attraction for foreigners, who wish to be free from constant irritation and interference by the administration. The French colonies, therefore, have been an expensive luxury, and they have not become a field for investment and industrial exploration to the same extent as have the colonies of other nations. By discouraging her colonies from entering into commercial and industrial relations with any but the mother country, France is really excluding from them the capital and men that alone could make them profitable.

[1] Figures from the *Statesman's Year Book*, for 1899. Louis Bertrand's novel, *Le Sang des Races*, which portrays life in the Algiers of to-day, treats of Arabs, Spaniards, Englishmen, and Germans, but not of Frenchmen.

It may be well in this place to call attention to the remarkable success achieved by the Dutch in their government of Java.[1] In the present period of great territorial expansion, we are likely to overlook the more modest colonial establishments of a country from which its mightier neighbors might learn many a lesson in colonial administration. The Dutch are free, on the one hand, from the rigid officialism and the formal routine which embarrasses their continental neighbors; and on the other, from the overbearing behavior (*Hoogmoedigkeit*) that characterizes the English in their intercourse with other nations. The Dutch, therefore, win the affection of their subject races, although by no means indiscriminately fraternizing with them. Their flexible methods enable them to take account and make use of all the local native social institutions for the purposes of good government. By allowing the tribes to observe their traditional customs and by maintaining native dignitaries, the Dutch govern with very little friction, retain the confidence and love of their subjects, and are enabled to exert far greater influence than the use of harsher methods would permit. For the judicious management of native populations, and for the moulding of native institutions to the ends of a more enlightened policy, the Dutch colonial administration may serve as a model. Where, by untoward circumstances, the

[1] Alleyne Ireland, *Tropical Colonization*, the chapter on "Forms of Government"; Money, *Java; or How to Manage a Colony.*

Dutch have been compelled to use force and harsh measures, they have encountered great, almost insuperable, obstacles on the part of the Malay population; such is the case in Acheen, where they have been warring unsuccessfully against revolt for almost twenty-five years.[1]

Compared with the colonizing methods of the other great powers, the English manner of action in regard to colonization is notable for its lack of rigid system. Sir George Goldie's advice to Americans, "In colonization there must be no precedents," is the first rule. More than any other nation, the English give free rein to the initiative of trusted individuals, and avoid embarrassing their representatives with detailed instructions, which would act as a brake on original enterprise. The home government uses its knowledge to warn its servants against dangerous measures of policy rather than to bind them to a settled system of action by minute anticipative directions. As a result, the financial confusion and general economic distress which had reigned in Egypt was in fifteen years, by the efforts of Lord Cromer, turned into marvellous prosperity and flourishing credit, and in the same manner a valuable industrial organization has been created in the forbidding Niger region, through the efforts of Sir George Goldie. Few administrative restrictions, equitable enforcement of a simple

[1] Hugh Clifford, "A Lesson from the Malay States," *Atlantic Monthly*, November, 1899.

law, equal opportunities to all, unlimited trust in tried and proved character, — these are the principles which have made England the most successful colonizing nation of to-day, and which have constantly attracted to regions under her control the most enterprising and able colonizing material. To her colonies flock the men who seek a free field for the development of their energies and capacities, and who at the same time desire an administration uninfluenced by the ordinary Oriental methods of corruption and favoritism. The motley gathering of races at Hongkong, — all of them thriving and carrying on prosperous business under English protection, — is perhaps the most remarkable instance of English success.[1]

In purely agricultural colonization, as small farmers, the English have not been so successful as have the Germans and Boers. Englishmen, it is true, own great ranches in Mexico, in South America, and in Africa, but the small homestead farms in these regions, so far as they are not the property of natives, are largely in the hands of others than the British. This condition lies at the centre of the South African controversy. The Boers, the small farmers of the region, naturally fear that by English enterprise and managerial genius, and by modern methods, they are to be forced out of their free and independent existence and into a more highly organized social system in

[1] See Bellessort, article cited above.

which the special capacities of the English are bound to carry the day.

In organizing and executing great industrial undertakings, such as railways, mines, and factories, in arranging for commercial communication between various nations, and in buying up the produce of colonies and exchanging it for articles of European manufacture, the English are still the leading nation, though Germany and the United States are rapidly coming to rival their position.

CHAPTER IV

The Connection between Colonization and Imperialism

The connection between colonization and imperialism is intimate, although the two are by no means identical. Germany, for instance, as has been said, sent millions of emigrants to the new world before she thought of utilizing colonization for empire. With the present increase of international competition, efforts to produce such identity by using colonization as a means for the extension of political dominion are constantly made. Colonization is now consciously directed toward the formation of immediate or prospective possessions and protectorates for the mother country. Wherever industrial or agricultural colonies are formed, the mother country has already obtained a foothold. It is a characteristic mark of the new national imperialism that the duty of protecting citizens wherever they may be is more emphatically asserted and more broadly interpreted to-day than ever before.

The South African controversy affords a striking illustration of this mode of action. When the Boers had "trekked" to their present home beyond the Vaal, they thought that they had found for

themselves a home far enough from the influence of European powers to be secure from further interference. They tilled their soil faithfully, and adhered fondly to the customs of their fathers. Unfortunately for them, however, rich gold fields were discovered, which brought in a vast and conglomerate population, among whom the British formed the chief element. The Boers, clinging tenaciously to their political rights, believed that they, the first and permanent settlers, were entitled to keep the actual control out of the hands of the transient population of the Rand country. But they counted without the protecting mother country. The English Uitlanders, making the somewhat paradoxical claim that the mother country should help them to become citizens of another state, called aloud for protection, and thus furnished the English government a welcome occasion for interference in the internal affairs of the Transvaal. Advocates of interference may urge that the Transvaal was never independent. But its independence in internal matters was solemnly assured in the two conventions of 1881 and 1884, and the suzerainty retained by Great Britain in the first convention must be interpreted with reference to the suzerain right explicitly reserved, namely, the right to give or refuse consent to foreign treaties.[1]

[1] Mr. Chamberlain himself said in 1896, "We have recognized the South African Republic as a free and independent state as regards all its internal affairs not reached by that convention."

German industrial and agricultural colonies are now being founded in Asia Minor and in South America, and the emperor has taken occasion to announce most ostentatiously that German citizens wherever found shall be assured of the protection of the German Empire. Should any of these colonies be disturbed by the neighboring population, or be aggrieved in any way by the political or civil legislation of the state within which it is founded, a plausible case for interference could very easily be made out; and if political conditions should be favorable, the emperor would not be slow in fulfilling his "moral duty" of protection.[1]

The most radical method of imperial expansion is that of directly seizing territory or the control or protection thereof, without waiting for the normal expansion of trade, industry, and colonization. The degree of control exercised over territory thus obtained varies from the diplomatic, veiled protectorate exercised by England in Egypt and the imaginary "spheres of influence" delimited in China, through a long range of variations, to complete and direct government as exercised in the English crown colonies. The term *sphere of influence* or *sphere of interest*, has been given an extended meaning by recent developments.

[1] The emperor's words in a speech of the 18th of January, 1896, are to the effect that the German Empire has become a world empire; and that wherever Germans abroad are injured or in danger, formal constitutional and public law objections cannot hold against the right of intervention on the part of the German Empire.

Formerly, it was used to signify a region wherein a nation, through its citizens, had acquired commercial or industrial interests without having serted any political protectorate or suzerainty. To-day, as used in China and elsewhere, the term applies rather to a region preëmpted for further exploitation and possibly for political control. Thus in modern expansion the growth of interests is anticipated and provided for by the reservation of suitable territory and the exclusion therefrom of other political influences.

Carried to an extreme, this policy of reserving spheres of influence must be very dangerous to the world's peace. It encourages a habit of looking upon the whole world as available territory for partition among civilized powers, and stimulates national ambitions unduly and unnaturally. The older method of advance by the gradual expansion of commerce and industry was far more natural and less liable to abuse, because under it any nation, before entering upon new territory, must prove by economic services, already rendered, its ability to benefit that region and its inhabitants; while to-day a country like Russia, having as yet no important commercial or industrial relations with China, by mere dint of force and shrewd diplomacy, establishes a claim to a vast portion of that empire for future exploitation.

The field of imperial expansion is one in which the relative influence of private individual initiative and unconscious social activity on human develop-

ment can be profitably studied. The question as to which is the more important element in human progress can perhaps not be settled definitely and ultimately, since social activity always includes that of individuals, and the respective value and efficiency of the two agencies is not easily determined. It is possible, however, in certain historic developments to distinguish with considerable precision between these two factors. There is still a further mode of action, — conscious social and political activity, — which has become increasingly prominent in recent times, when states and governments systematically through decades plan a regular advance and carefully adjust all their actions with a view to the gradual extension of their dominion.

Russia's advance to the East in former centuries, which has already been mentioned, might be characterized as an unconscious social progress, since no particular individual was exceptionally active in extending the boundaries inhabited by Russians, but rather the spontaneous social activity of many individuals brought about this result. In English colonization, and also in the Russian expansion of more recent times, the initiative of individuals has been a more prominent factor. By the word *individuals* we do not mean isolated persons alone, but also private trading corporations. Thus, the English empire in India is the fruit of individual exertions, and especially of the genius of such men as Clive, Warren Hastings, and Wellesley. The advance of Russia into Turkestan and Central

Asia was largely due to the private initiative of ambitious military officers stationed in those regions, who, on their own responsibility and under the plea of necessity, conducted expeditions against the natives which led to the annexation of new territories.[1] The boundary, always threatened by neighboring natives, was constantly extended under the plea of gaining greater security.

The manner in which individual men like Mr. Cecil Rhodes and Sir George Goldie have left their impress on imperial expansion in Africa is matter of most recent history. Without any considerable encouragement from the authorities at home, Sir George Goldie has constructed a valuable colonial protectorate on the banks of the Niger, a region apparently most unfavorable to European enterprise.[2] The rapid expansion of British influence toward the centre of Africa from the south is due primarily to the initiative of that imperial plotter, Mr. Rhodes. French advance into the Soudan is also largely the work of ambitious individuals. Following the lead set by General Faidherbe in the fifties, French officers have repeatedly undertaken exploring or punitive expeditions which, when their results were ratified by the home government, led to the constant extension of French dominion.

[1] George Curzon, *Russia in Central Asia*. The acquisition of the Amur territory by Muravieff in 1858 was also a matter of individual initiative.

[2] On the opposite side of the continent, Sir William MacKinnon, Sir John Kirk, and the British East Africa Company were meanwhile preparing the way for British occupancy.

The unfortunate outcome of the last of these expeditions — that of Major Marchand — is well known; but even this event illustrates the advantages of the system. The action of such officers, not having been authorized by the home government, or at least not having been openly sanctioned, may, as circumstances demand, be either approved and utilized or disavowed. When no powerful enemy seeks to prevent the expansion, the action will as a rule be ratified, — cases in which a nation has voluntarily withdrawn from a field once occupied are exceedingly rare, — but should a strong nation block the way and attempt to prevent the consummation of the plan, the action of the officer is ordinarily disavowed without difficulty.

From a consideration of these facts it may be seen that imperial expansion has not ordinarily followed a system preconceived or thought out beforehand and executed according to well-developed plans. Either individuals act in an isolated manner, by their own impulses and on their own responsibility, or national advance is impelled by the force of uncontrollable circumstances. The latter is well illustrated by the manner in which the United States has entered upon its policy of expansion in Asiatic regions. At the beginning of the war there was perhaps not a soul in the whole Republic who so much as thought of the possibility of his nation becoming a sovereign power in the Orient.

Recently, however, there have been conceived

far-reaching and systematic plans of colonization and national expansion. This is especially true of the two powers which, on account of their strong monarchial government, are in a position to carry out a permanent and continuous policy through all the shifting changes of diplomacy. Germany and Russia to-day are both acting on a definite system. But in the conception of such ambitious plans the other great European nations, France and Great Britain, do not lag far behind. The construction of the Siberian railway and the creation of a large navy, the movement of armed forces and expressions by certain Russians who are high in authority, show that there has been going on careful and systematic planning to reach in Asia a rich country, such as Manchuria, which possesses ice-free harbors, and which will become a radiating centre for the eastern expansion of the empire. Germany is likewise looking for available territory where its citizens may settle permanently without danger of becoming dissociated from their allegiance.[1] As for Great Britain, we need only mention the Cape-to-Cairo railway scheme and its connection with the plans for a trunk line from Alexandria to the Yangtse Valley, which is to bind together the Asiatic and African empires of Britain with a chain of iron. It is apparent that powers whose governments are so continuous and highly concentrated as to allow of a consistent and permanent policy,

[1] The various elements of the German plan will be discussed in Part IV.

which follows out definite traditions, have a great advantage in the recent developments of world politics.

To sum up the general position of the great powers at present, it may be stated that all are straining every nerve to gain as large a share as possible of the unappropriated portions of the earth's surface. Wherever sharp methods of competition are necessary to accomplish this object, they will be employed. By rapid preëmption the available area is becoming exceedingly limited, so that the eyes of the civilized world are already turned to the South American continent for further fields of exploitation. Already tracts far beyond their present assimilating capacity have been preempted by the nations, and in consequence colonization is at present quite unprofitable to some of them, however valuable it may become after the due development of colonial resources. In this contest, Asia is the principal prize, because with its marvellous resources and its great laboring population it is bound to become the industrial centre of the future.

Interest in the contest is increased when men become conscious that the questions to be solved involve not merely commerce and industry, but the deeper interests of civilization as well. The whole cast of thought that characterizes the West, its ideals and principles, may be modified by the intimate contact with the Orient into which it is now being brought by imperial expansion. On account

of her mediating position between the Orient and the West, the character and policy of Russia are at present of the greatest importance to the world. Her civilizing capacity, her true aims and ideals, her attitude toward Oriental and Western civilization, the scope of the means at her disposal, are matters of supreme importance to every thoughtful man.

CHAPTER V

Consequences of the Policy of National Imperialism

Having now discussed the methods employed in imperial expansion, let us next turn to a consideration of some of the consequences — already apparent — which can be attributed to the more recent developments. The phantom of world empire is again beginning to fill men's minds with vague fears and imaginings, and is everywhere a most potent agency for the creation of international animosities. The continental nations ascribe to Great Britain the desire to Anglicize the world, while Russia is by her rivals looked upon as the relentless plotter for imperial power over all. It is true that the Russian Empire considers itself the lineal descendant of the Byzantine Roman Empire, and is therefore to-day the exponent of Roman traditions of imperialism.[2] This is the sentimental side of the Russian desire to gain

[1] See W. D. Foulke, *Slav or Saxon?*

[2] Russian writers compare their nation to Rome, while they find the counterpart of Great Britain in Rome's great rival, Carthage.

Constantinople. Some of the expressions of recent Russophiles, like Pobedonostseff, indicate not only contempt for Western civilization, but even a hatred of it strong enough to inspire a desire to subdue it by Russian effort and valor. On the other hand, even from the Anglo-Saxon side, we often encounter a belief that the world would be better off if forced to adopt Anglo-Saxon methods of thought and government. The existence, side by side, of a group of virile and powerful nations happily renders impossible, for the present at least, the consummation of such schemes of despotic imperialism with all the dead monotony and uniform decadence which it would entail. Still, if every act of a foreign nation, by which it desires reasonably to strengthen its vitality and to extend its sphere of usefulness, is to be interpreted as a deliberate attack on the liberty and civilization of other nations, far too much mutual suspicion and acrimony will be engendered in international life. This idea of world empire, therefore, though still a mere phantom, has nevertheless to be considered, if only for the purpose of showing the absurdity of the thought of its realization at the present time.

Should the unreasonable international competition which is favored by many extremists carry the day, it would ultimately lead to a world conflict. To counteract this danger we must constantly emphasize the thought that there is sufficient work for all nations in developing and civilizing primitive

regions. Each one of the leading nationalities can fully develop its own character and impress its best elements on the civilization of the world, without desiring the downfall and ruin of other powers. Conflicts of interest may, to be sure, bring about great struggles; but to interpret these as deliberate wars of extermination is to attribute to the whole human race a viciousness that actually exists only among the worst criminal classes.

With the increasing intensity of competition, national solidarity is coming to be regarded as the first requirement for success in world politics. Russia, that nation of complete solidarity, in which religion, or at least cult, still acts as a firm bond of political union, where individualism is discountenanced and banished to Siberia unless exercised for the direct benefit of the government, — this nation has many advantages that arouse the envy of its competitors. Everything that weakens perfect solidarity is coming to be antagonized. Either alien races are forcibly assimilated, as is the case with the Poles in Germany and Russia, and with the Finns in the latter country; or, where assimilation is impossible, the strong and bitter hostility is displayed that has so often been visited upon the Jews. By centuries of isolation the Jews have been trained into individualism and cosmopolitanism; they hold aloof from national life, and as a result are subjected to pitiless persecution.

Everywhere individualism is on the wane.

Though theoretical socialism, with its democratic manifestations, meets with strenuous opposition from every quarter, yet the internal social solidarity which that theory demands is fostered by the nations with all their power. This is very clearly shown by the recent general reaction against the political doctrines of liberalism, which affects even English politics. When liberalism extended the suffrage to democracy, it was believed that the permanent dominion of liberal ideas, of individualistic principles, was at last assured. But democracy in power shows a remarkable disregard for those checks on government and those merely structural elements of politics, which are so dear to liberalism. Hence it is that in England interest in the question of reforming Parliament and the House of Lords, of Disestablishment, of Home Rule, of the Local Veto, of free competition in industries, and even of free trade, has entirely waned. The old liberalism of Gladstone, which until 1886 reigned supreme, is now practically dead. The simple questions of national greatness and glory, and of such social legislation as that of old-age pensions, are of greater interest to the new democracy, — and of these two, the former, with its constant appeals to patriotic feeling, has the stronger hold on the masses. The Liberal party in England, which is certainly the true representative of the real interests of the masses of the people, lost its hold upon them on account of its weak foreign

policy under Gladstone, — a policy of scrupulous justice, but not one of national glorification.[1] On the other hand, the hold on the people which the Conservative party has in large portions of England is readily explained by the manner in which it combines a programme of social reform with a strong foreign policy. Social reform alone, especially when proceeding from the upper classes, does not seem to attract the masses sufficiently, because they rather disdain the hand that deals out favors to them.

In this connection we must also notice the impatience with any criticism of its policy or individual acts which is so often manifested by the party of expansion. The moderate and just speech of Sir Vernon Harcourt, in which he criticised both the Transvaal and Great Britain, — the one for demanding complete sovereignty, the other for asserting complete independence, — was immediately decried as treason; the same epithet has been applied in our own country to the course of those who criticise the administration with respect to its policy in the Philippines.

On the continent of Europe this repression of individual liberty in all matters where national passions are aroused is very common. We need only cite the discussions and recriminations con-

[1] The feeling is growing within the Liberal party that a strong, aggressive foreign policy is a *sine qua non* for success in English politics, and a reorganization of the party under the leadership of Lord Rosebery is at present much discussed.

nected with the Dreyfus case in France, where any one differing from the hall-marked patriotism was immediately stamped a traitor. Conditions in France are, by many writers, interpreted as foreboding inevitable political reaction. The tyranny exercised by the army, the alleged influence wielded over the army by the clergy, the fact that the military organization is used as a means of propaganda for royalism, the vicious opposition on the part of the majority of the press to all truly liberal ideas and motives of action, the unscrupulous distortion by the same press of all facts opposed to its own ideas of patriotism, —all these may be regarded as portents and symptoms of social retrogression. The strength of republican feeling among the masses is on the wane. The reactionary daily press, vicious in its methods of personal attack, appealing to the coarsest form of so-called patriotism, is constantly gaining more influence among the lower classes.[1]

In Germany the political forces are coming to be divided between the camps of reactionary conservatives and clericals on the one hand, and radical socialists on the other, leaving the ideas of liberalism without considerable representation in the national councils. Moreover, the influence of the parliament is cut down by the increase in

[1] While Urbain Gohier, the author of many current writings on contemporary French politics, is certainly an extremist in his fears of a threatening reaction, he presents many facts that indicate the insinuating influences hostile to a liberal republic.

standing appropriations and by the gradual withdrawal of important subjects from parliamentary discussion.

The fact must also be emphasized that in the struggle for national greatness the existence of one-man power in a government gives a great advantage to a state. The two countries in which one-man power is most predominant — Russia and Germany — are at present executing the most systematic plans of national expansion. The supreme authority and permanence of rule of an imperial monarch gives to their national policy a unity and continuity which is sought in vain by other nations. It is significant that Beaconsfield, the real founder of modern British imperialism, was also the statesman who carried one-man power farther than any other English minister of this century. On his own responsibility he concluded treaties that involved the most vital interests of England, and brought colonial troops to Cyprus so as to be ready to strike decisive blows in Europe.

A nation which engages in the perilous business of competing for transoceanic possessions must have a leader in whose judgment and discretion it can repose absolute confidence, — a leader in whom power and responsibility may safely be concentrated. This becomes evident when it is remembered that in such a national policy decisions involving the entire destiny of a colonial possession or of the nation itself have at times to

be made rapidly and without preliminary discussion. When we consider what truly tremendous interests depend upon the action of Lord Salisbury and his colonial secretary, when we consider that the whole future of civilization may be conditioned by their policy with respect to China, we gain some insight into the high responsibilities and the far-reaching influence of their position. The cabinet system of England supplies the concentration, if not the continuity, of absolute authority, in selecting as leaders men whose character and abilities have been subjected for years to a strenuous test; statesmen who are familiar with all the ins and outs of legislation and administration at home and abroad; who have proved their mastery in dealing with public affairs, not only on the floor of Parliament, but in the offices of the administration, and are finally by an informal but effective selection designated for supreme leadership. As both parties aim to give continuity to the foreign policy of the country, and as the same men often remain for decades leaders of their parties, the English government, with all its advantages of freedom and popular representation, has also, to some extent, those characteristics of continuity and permanence which are essential to success.

The danger, in these recent developments, of an undue increase of one-man power must not be overlooked. It is certain that since the great success in colonial expansion of Russia and Germany, the imperial authority in both of these countries

has been remarkably fortified. These nations, believing that the sum total of national well-being is being increased by the initiative of the heads of the state, will not countenance any effective opposition to the foreign policy decided upon by their emperors.

The emperor of Germany, much to the disgust of the liberal element among his subjects, has shown himself anxious to rival the position of the Czar of Russia as a religious potentate, a vice-regent and representative of God. He has allowed no occasion to pass to add another ray to the illumination of sanctity by which he surrounds his house. Whenever he can associate himself with Divinity, he may be counted upon to do so. This habit may seem merely ridiculous, but as indicating the frame of mind of the most powerful man in one of the most powerful governments, — a sentiment, moreover, which is very likely to influence his domestic and foreign policy, — it becomes important enough to deserve attention. When in connection with it we consider the persecutions which in Russia have been directed against religions that do not recognize the Czar as their head, and when we bear in mind the rigorous and frequent punishment of the offence of *lèse majesté* in Germany, it becomes clear that these vauntings of the emperor have a serious side.

It is often affirmed that the policy of expansion tends to advance the cause of good government at home, and, as conclusive proof of this assertion,

the reform in the English civil service is cited. This reform is looked upon by those making the argument as a result of the sense of national responsibility felt in consequence of the colonial expansion of the last century. We may better judge how colonial expansion affected English politics from the expressions of Lord Chatham regarding the corruption caused by the free use of the wealth of rich colonial magnates.[1] It must also be remembered that England had been a colonial power for two centuries and a half before her civil service was reformed, and that, during those centuries, there were periods characterized by such corruption as that of the Cabal and Walpole. It is not safe, therefore, to draw optimistic conclusions from what seem to be the evident necessities of an expanding nation. Those whose prime interest is in pure, honest, and efficient government at home, will, in the future, have to be more careful and exert greater energy than ever.

The tendency of politicians to secure an advantage from the withdrawal of public opinion from home affairs by an interesting foreign policy, is shown by the efforts recently made in our own country for the abolition or restriction of civil service reform,— efforts which have, to a certain extent, been successful in influencing political action. The argument often heard that to succeed as a colonial power we need a pure administration, and that we shall consequently get it, seems, therefore, rather

[1] See Part V., Ch. IV.

unsafe for the friends of reform and good government to rest upon. It would seem that, as national attention is centred on the acquisition of territory and national glory abroad, less attention and energy is left for the rational regulation of home affairs, and that the cause of good government must therefore suffer. Moreover, there is little doubt that the exertions for social betterment, and for purer methods in politics, have already sustained an impairment from the exaggerated interest taken in imperialism. If energy is expended in one direction, other matters must wait in consequence. Every one who is familiar with the current thought and feelings in Europe knows that the governing classes are beginning to neglect true social reform in favor of the more ambitious branches of politics. National greatness to them lies in strong military and naval forces, in the strengthening of national industry and credit, and to these ends all other matters are subordinated.

It may not be out of place to point out, in this connection, the aristocratic tendency of the philosophy of the last half of the nineteenth century. The great leaders of continental European thought in this period, Schopenhauer and Renan, Comte and Nietzsche, are not at all favorable to the cherished ideas of liberalism and democracy. With them, the destiny of humanity is not found in the happiness of multitudes, but in the greatness of rare and select individuals. The political machinery which liberalism has constructed

for the protection of popular rights they do not value, but would rather replace by a less formal, more compact, social organization. There are many symptoms of a reversion to the symbolism and idealism of the Middle Ages, and with it of a return to the social ideas dominant at that time. The human intellect, wearied with long scientific exertions which have led merely to the amassing of a vast congeries of facts, is, according to these philosophers, yearning for new ideals, and a more mystical, emotional interpretation of life.

As we turn from this consideration of certain drawbacks in the present political tendencies, the question suggests itself: Is humanity the helpless victim of historical forces, or can it consciously modify and control its destiny? Political fatalism is very common at present; it is in fact the mental attitude created in many by the study of historic evolution. The manner in which the United States was drawn into Oriental politics and incurred far-reaching duties, without any clear recognition among the public, or even among statesmen, of a national purpose or policy, strengthens this feeling. Conscious purpose and reasoned action seems indeed to have been but a small factor in these workings of "destiny." In a like manner, world politics appear to be entering a stage where grim, silent, passionate forces will hurry humanity along, like leaves in a torrent. But as the human will and intellect has tamed the fierce powers of the lightning and the storm, can it not also master, in some

measure at least, the tumultuous energies that are now stirring its own deeper nature and breaking forth into the battle cry of action, conquest, expansion, glory, and might? The forces that find triumphant expression in Kipling's song are not in need of encouragement from political theory; it is the more modest and unromantic task of the publicist to analyze their nature and to point out the dangers that follow in their train.

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PART II

THE OPENING OF CHINA

CHAPTER I

Social and Political Characteristics of China

The suddenness with which the entire perspective of the political world has been changed by recent developments in China is unprecedented. That country, without question, has become the focal point of international politics. Vast interests are there under contention, — even the very composition of the world civilization of the future is at stake upon the issue. Rarely have statesmen been under a graver responsibility than are the ministers in whose hands are the threads of Chinese politics, for they are in a position to determine the future course of history in such measure as they understand and intelligently influence the forces there at work.

True, there are other important areas which are already the object of contest, or which may in future be fought for in diplomacy and war. The mineral and agricultural wealth of South Africa is at present the stake in an important struggle: Turkey in Asia affords a tempting field for colonization, and South America, too, attracts the eager

glances of expanding world powers. But China exceeds them all as a field for commercial expansion. More populous than all Europe, it contains provinces which singly have a wealth of natural resources that reduces European figures to insignificance. The one province of Szechuen, with its sixty-odd millions of inhabitants, its vast and apparently inexhaustible coal fields, its agricultural and mining wealth, is an empire in itself.

There has been a marked change in opinion concerning China since the war between that country and Japan. Some thinkers, like Schopenhauer[1] and Renan,[2] it is true, foresaw the downfall of China as an inevitable consequence of its pedantic civilization; but others, and prominently among them, General Wolseley,[3] were at the same time predicting for it an increasing strength. The latter were even frightened at a vision of a "Yellow Terror," which was to sweep the older civilizations from the globe when the full possibilities of the Chinese race should come to be realized. The empire was looked upon as difficult for European powers to deal with in matters of international moment, and as bound, therefore, to pursue for an indefinite time its own destiny, free from outside interference. Since the war, however, opinion has passed to the other extreme. Hopeless corruption

[1] *Parerga und Paralipomena*, Vol. II., § 124.

[2] *Essais de Morale et de Critique* (1859), p. 42.

[3] Wolseley, *Narrative of the War with China in 1860.*

and stubborn conservatism on the part of the rulers, accompanied by unmanly cowardice and lack of all patriotism on the part of the masses, are now believed to make the empire an easy prey for the powers, who have only to color the map of China to bring about its dissolution. There is reason in both views; but, being extreme, they are distorted. There are, to be sure, in the Chinese people elements of strength which, if coördinated and developed, will make China and the Chinese nation the centre of the industrial world. The present weakness of the empire is due not to the degeneracy of individuals, but to a disorganized political system and to false political ideals.

It is not, perhaps, remarkable that, in a matter about which so little is known, there should be so many mistaken generalizations. At the present time theories about China, about its partition, about the alliances of the powers, and about spheres of influence, are both abundant and flourishing; but most of them lack the solid foundation of fact. It is therefore necessary, in order to understand the forces at work, to set clearly before our minds the actual conditions in China and the leading facts with regard to the present situation. We must know the characteristics of Chinese government and society, the philosophy on which its social system rests, the nature and distribution of its resources, the accessibility and security of the various parts of the empire, the reforms which have been attempted as well as the reforms which

are possible, the attitude assumed by the inhabitants in dealing with strangers and with enterprises managed by foreigners, and the inroads already made by foreign political and economic influence.

It is a complex situation which no one formula can explain. Even in a homogeneous state, political life is of an intricate nature; in a vast empire wherein all the leading nations of the world are struggling for a foothold, and whither all are bringing with them their traditional policies and ideas, the complexity of the situation assumes bewildering proportions. Details, apparently insignificant, and to the Occidental mind puerile, must often be given delicate consideration, as in the matter of the prejudices of the people or their peculiar methods of doing business, any neglect of which may lead to the failure of an important enterprise. The whole situation is fraught with fateful possibilities for mankind; for whether the empire itself is destined to regain its strength and enter upon a marvellous career of industrial development; or whether Russia is fated to gain the upper hand, and make of China the real seat and centre of her power; or whether, finally, the European powers shall succeed in preserving a balance under which the forces now at work may develop without disturbance — in any event, the issue is bound to exert a radical influence on the civilization of the world.

If a careful consideration of the powers engaged

in the Chinese struggle, their policies and tendencies, is of the greatest necessity, it is not less a study of the most absorbing interest, for a drama is about to be enacted, the like of which the world has never seen. It dwarfs the conquests of Alexander; compared with this titanic contest, the exploits of Napoleon seem a passing diversion, and previous meetings between Orient and Occident seem the merest frontier skirmishes. Western spirit and Western enterprise are now penetrating to the very heart and stronghold of the Orient. The result only the future can reveal; but to those who understand what is going on, the drama must be of engrossing interest. In the quiet years between 1870 and 1890, some of us may have felt at times that a little of that excitement which Cæsar and Napoleon gave the world might prove a not unwelcome diversion. These late years have shown that the stage on which those actors played their part was after all but a small affair, compared with that on which the twentieth century drama is to be presented.

When we consider the spirit and temper of Chinese society and civilization, we are struck first of all by its homogeneous character, its power of assimilation. The repeated conquests of China by foreign invaders have left little or no impression on her ancient morality and polity, the conquerors having fallen instead into Chinese ways and forms. Thus, the last conquerors — the Manchus — have become even ultraconservative of Chinese tradi-

tions, while the true Celestials themselves are recruiting the reform parties.

The chief characteristic of Chinese society and the essence of Chinese morality is reverence for the past. Noting the fact that the present state forms have existed practically for twenty-five hundred years, and that within this time and under these forms untold millions have been enabled to lead a civilized and peaceful life, we shall cease, perhaps, to wonder at the canonization and worship of the originators of the system. Thus, China still looks to the past for exemplars of perfection and for guidance. In the same way, the individual looks to the more immediate past, the principal tenet of private morality being reverence for ancestors. It is considered highly moral, for instance, for an individual to expose his children, in cases where such a course seems to him necessary in order to insure and safeguard the means for providing for his aged parents. To desecrate a grave is the greatest crime. As illustrating the effect of Chinese tradition upon business relations, it may be noted here that all the present railway concessions specially provide that the feelings of the people regarding the sacredness of graves are not to be offended.

The Chinese state has become remarkably formalized, and this formalization has reacted on the various parts of society within the empire. Conservatism and formalism naturally go together, and as the state form which was the original

foundation is still in existence, there has been an overemphasizing of the external, and a desire to conform to the old ideals, at least in outward appearance, which have had the most disastrous effect upon Chinese politics. To save appearances is the first rule of the Chinese official. Thus, along with the constant outward profession of the moral platitudes of Confucius and Mencius, which are drilled into the mandarin from his youth up, there exists a very shrewd selfishness which seeks the greatest personal gain that can be reconciled with appearances. The manner in which public works are constructed illustrates this characteristic. Repairs in the walls of the capital or on the roads are executed in a manner so superficial as to be barely satisfactory even on immediate inspection. At times the inspection itself is only a blind, as was the case in one instance where an imperial command had ordered the investigation of a long tunnel. Several men were, in the inspectors' presence, sent down into the tunnel; within the tunnel and near the other end another party of men, similarly dressed, had already been stationed. When the party of inspection arrived at the lower end, the second group came out, and by that very fact proved the tunnel in perfect condition! Whenever the emperor rides through the streets of his capital, they are carpeted in such a way as to shut out from his sight the refuse of ages which is there accumulated, and the gateways of the walls are whitewashed only to the height to which he

can view them from beneath his baldachin.[1] These may be extreme examples, but they certainly testify to a characteristic which all observers have noted. The ridiculous frauds perpetrated by the Chinese in furnishing ammunition and army stores in their last war are familiar to all. Bombs filled with charcoal could in the matter of appearance pass upon inspection, and would thus satisfy the Chinese official.

The general plan of organization of the Chinese state and society is well known. There are four regular classes, — the mandarins and literati, the agriculturists, the mechanics, and the merchants. The fact that farmers rank considerably above merchants is evidence of the ancient origin of this system.[2] The military profession is not the most honored, military mandarins being considered inferior to the civil. To the same effect, a Chinese proverb says, "You do not take good iron for a nail, nor a good man for a soldier." In some respects, and especially in having for its essential element government by an educated class, — the mandarins, — this social system is remarkably like the ideal system of Plato's Republic. The entire conservatism of China, with its effectual resistance to those ordinary fluctuations of historical forces which the Western world has undergone, is largely

[1] For other similar examples, see Leroy-Beaulieu's articles on China, in the *Revue des Deux Mondes*, 1898, 1899.

[2] Cf. the low estimate in which retail trade is held by Plato and Aristotle.

due to this form of organization, which puts at the head of the state a cold, educated reason.

The mandarinate is democratic in its origin, being regularly recruited from the masses of the people by a series of most rigid examinations. These examinations are attested to be generally fair and impartial, although the sons of the very highest officials are sometimes given a preference. Beginning with the district town (*hsien*) examination, the candidate for governmental honors must pass through a series of rigid tests in his department, circuit, and province, until, if successful in all, he finally reaches the Peking or imperial examination. This is held under the immediate supervision of the emperor, who, according to the doctrine of Confucius, is primarily a teacher. Thus the emperor's first official act is usually the giving of a set lesson in formal ethics to his ministers.

The vast importance of these examinations is shown by the fact that the reform party and the Emperor Kwang Su directed their first efforts toward a modification of their form.[1] At the present time, the subjects in which candidates are examined are the Chinese classics, style, and calligraphy. The ancient *Five Classics* and the four books recording the doctrines of Confucianism, especially the treatise of Mencius, have to be memorized, and in addition to this, the vast scholastic critical apparatus that has accumulated for centuries must be mas-

[1] Kang Yeu Wei, "The Reform of China," *Contemporary Review*, August, 1899.

tered by the candidate for final graduation.[1] The examination in style is chiefly a test in the use of unusual word signs, a fine style consisting in the ability to employ word signs which the ordinary man does not understand. The prime purpose of education in this field is therefore to fill the mind of the student with the largest possible number of word images. In order that the number of candidates may be thinned out, the requirements are continually increased in severity. The numerousness of applicants may be judged from the fact that at a recent session in Shanghai at which 150 degrees were to be given, 14,000 candidates appeared in the lists.

The benumbing, stupefying effect of this education is apparent in the helplessness of vast numbers of mandarins when they are confronted with anything like the problems of modern science. The ultraconservatism of the mandarins in general is also explained by the artificial nature of their training. Any reform along Western lines would render worthless the knowledge that gives prestige to the members of the present official class. Even the introduction of an alphabet would at one blow take away the *raison d'être* of the prominence of thousands of them. The man of memory

[1] As specific examples, the following may be given. An essay is required to be written on the topic, "Heaven alone is grand, and Yao alone was worthy of it. How high was his virtue!" (an extract from Confucius). Questions like the following are asked: "Why is the written character signifying moon closed at the base, while that representing the sun is open?"

— even of phenomenal memory — is in modern times at a tremendous disadvantage when confronted with the man of trained powers of observation and reasoning. But the whole system of Chinese education rests on memory; and a radical change must therefore be effected in this system before reform can become general. No one has recognized this more fully than have the emperor and his chief reforming minister, Kang Yeu Wei.

Even after a student has successfully passed the final examination at Peking, — its severity often costs the lives of many candidates, — he is not, by that fact alone, assured of a position, since, in China, the sale of offices is a recognized institution, accepted by every one as a matter of course. In order to secure an appointment, therefore, the successful candidate must have financial backing. This backing is often provided by native syndicates, consisting of capitalists who, recognizing the ability and promise of a graduate, furnish him the necessary means wherewith to buy a position. As the salaries are ridiculously inadequate, the mandarin, after his appointment, is able to repay the syndicate and also to provide for his underlings, relatives, and friends, only by dint of continued and systematic exactions from those over whom he has been vested with authority. Very often the court party retains a lien on the income of an appointee who has been specially favored. Thus, a provincial governorship, which in no case has attached to it a salary

exceeding five thousand dollars a year, is, nevertheless, purchased at tenfold that amount. To mention another instance, the overseer of native customs at Canton, who is appointed for three years, and is able to make several millions by exactions, is bound to hand over by far the larger part of the proceeds to the palace favorites at Peking.[1] The exactions take two forms: either money belonging to the government is retained under some pretext—usually only about one-tenth of the taxes levied ever reach the imperial treasury; or, on the other hand, excessive impositions are laid wherever the resistance will not be too strong. As an instance of this latter form of exaction, it may be mentioned that the collectors of *likin*—the internal taxes levied on traffic along the rivers—usually make a special bargain with every carrier that passes their custom-house.

Looking at Chinese government as a whole, we see in it a partial embodiment of the entrancing ideal which filled the mind of Plato and the medieval popes, the ideal of government by a carefully selected class of educated men. As this system has moderated the natural working of the more passionate political forces, it may be fairly concluded that the ultraconservatism of the Chinese government is primarily due to this form of organization. Should the system be abolished or even greatly modified, should China

[1] See Gundry, "The Yangtse Region," *Fortnightly Review*, September, 1899.

choose a less formal method of selecting her governors and leaders, the rigid stability of the empire would cease. The attack of the reforming emperor on the system of examinations, his attempt to substitute for it a modern, scientific test, therefore, looks not merely to an educational reform, but would lead to a change in the vital character of the Chinese Empire. That with this government, purporting to be a government "of the best," selected without favor, there goes the most hopeless corruption and cynical indifference to public welfare, is a grave commentary on the dangers of a shallow, optimistic idealism. The system is, however, so firmly intrenched in the hearts of the people that a radical remodelling seems almost impossible. A whole province does honor to a successful graduate, and the humblest family knows that the day may come when one of its members will stand high in governmental power. It is this that makes it possible for such a system to exist without causing great popular dissatisfaction. It is accepted calmly and as a matter of fact that those in office should provide for themselves and their relatives, while every group of relatives hopes in turn to be made happy by the preferment of one or more of its members.

To conclude from the general cynical contempt of honesty which prevails in official circles that Chinese society lacks morality would be to fall into serious error. Whatever laxity Chinese

morality may permit in official relations, from the working-man, the tradesman, and the servant it exacts most scrupulous honesty. That the Chinese merchant's word is as good as his bond, is fully attested by all who are familiar with Eastern commerce, and that as employees the Chinese are absolutely reliable, is an equally well-known truth.

The character of the Chinese as soldiers has been a subject of much dispute. In considering this matter, it must be remembered first of all that the soldiers hired by the military mandarins are the merest rabble that can be gathered from the streets and highways; for the mandarin, being paid a fixed sum for furnishing a certain contingent, is of course bent upon getting the cheapest material available. Another point which should be kept carefully in mind, in judging of the character of the Chinese soldiery, is the treatment of the men by their superiors. Thus, it is known that at the end of the last war, the soldiers, although their pay was heavily in arrears, were dismissed with a dollar apiece, while their commanders had from some source vast sums to invest in Shanghai real estate. It is not strange that the army, under such conditions, did not show any patriotism.

As to the Chinese of the better classes, it is undoubtedly true, as Lord Wolseley holds, that they are magnificent material for soldiers. They have proved this when under efficient leadership,

as in the campaign of Gordon against the Taiping rebels. Their whole view of life is favorable to a soldierly character; for, like all Orientals, they hold individual existence cheap, and are impassive under physical pains that to a Westerner would be unendurable. Chinamen have been known to continue eating calmly, while the most horrible tortures were being inflicted upon them. The attitude of the Chinese as soldiers was well illustrated in the French Tongking campaign of 1882, when, instead of holding out, they ran away and allowed themselves to be made prisoners, but yet preferred death to the doing of any act of menial service which conflicted with their inherited customs and sense of dignity. Should the Chinese be disturbed in their long-cherished habits and prejudices by an invasion of foreign enterprise or political control, they would become fierce defenders of their local civilization.

It is commonly believed that the Chinese are not patriotic; that the idea of national patriotism is foreign to their minds. Indeed, all enthusiasms are inexplicable to the matter-of-fact, prosaic Chinaman. Thus, too, the Chinese are the only people whose native religion is free from all mysticism. Confucianism is a morality of common sense, dealing with the most obvious, the nearest relations of human life; leaving out of consideration everything that is doubtful or mystical; and based, in short, upon the words of Confucius, "Why should we have cares about a life beyond the grave when

there are so many duties to fulfil to the living?" Thus the Chinaman tries to excel in the punctilious observance of nearer duties, of the ceremonies and of the honor due to those immediately about him. He acknowledges no ideal suzerainty. If he is affected in the immediate, intimate relations of his life, — those of his family or village, — he is ready to sacrifice himself. But the ideal unity involved in the concept of a state, an idea which leads Western nations into frenzies of enthusiasm, leaves him quite cool and composed. All the patriotism of which the Chinese are capable is concentrated, therefore, on their immediate surroundings. Loyalty to a great society and to its civilization has never been inculcated into their minds.

Nor is the reason for all this far to seek. Their isolation and long-continued freedom from contact with other forms of civilization have prevented the Chinese from forming the concept of national patriotism. If there were a world state, patriotism would lose its meaning; but to the mind of the Chinese there has always been a world state, since to them their empire is the world — outside of it nothing is worthy of their notice. Any rude or careless interference by foreign nations with the cherished ideas or institutions of the Chinese would start into life the notion of Chinese national individuality, and would immediately bring forth a feeling of mutual relationship and dependence. Foreign statesmen will do well

to avoid the fatal error of looking upon the Chinese as mere helpless pawns to be moved about at the will of a European manipulator. The establishment by European nations of any real protectorate or sphere of control in China would require so delicate a perception and appreciation of national characteristics, so judicious a management, that even the complicated conditions in Egypt seem simple as compared with the complexities of such an undertaking.

The alarming weakness, the total helplessness, of the Chinese Empire as revealed in the Japanese war astonished and disconcerted the natives as much as it did the Europeans. The accounts of the emperor's mental suffering as the reports of defeat after defeat came in, and especially when he was forced to sign the humiliating Treaty of Shimonoseki, are really pathetic. The emperor's father and adviser, Prince Chun, had already turned his attention to Western civilization, especially in the matter of armaments and navies. The emperor himself looked to Western methods and Western knowledge for guidance out of the labyrinth of troubles into which he had been driven. He was rather a student than a ruler, having been brought up in the artificial atmosphere of Chinese politics, in which the strong, relentless spirit of single-handed rule is not developed. Nevertheless, when he began his attempts at reforming the social order, he did not content himself with palliatives, but attacked the main centre of the

difficulty, the educational system. In pursuance of his policy, he provided himself with European treatises on government, industry, philosophy, and education, and drew about him the progressive elements among the younger Chinese scholars.[1]

The leader among these is Kang Yeu Wei, a man of very brilliant intellect, famous for his commentary on the Confucian classics, and thoroughly imbued with enthusiasm for Western progressiveness. His article on "The Reform of China," in the *Contemporary Review* for August, 1899, is a striking presentation of the attitude of the Chinese reformers. It is naïvely enthusiastic, and reveals no technical mastery of Western civilization, but only a general blind faith that China's sole hope of salvation lies in studying Western books and in acquiring Western methods of government and industry. In reading his essay, and particularly that part of it which gives an account of the emperor's mental sufferings and thoughts of reform, one is carried back in thought to the Confucian classics and their naïve account of the doings of great men.

Others who have sympathized with plans for reform are Chang Chi Tung, the great viceroy of Hankow; Shang Yeu Hwan, former minister to the United States; and Weng Tung Ho, the emperor's tutor. Although the empress, even after her

[1] A good account of this movement is given by George S. Owen, in his article, "Reform Policy of the Chinese Emperor," in the *National Review*, August, 1899.

withdrawal from active government, still retained the power of appointment and the great seal, the emperor, nevertheless, succeeded in gathering about him a reform party, and, supported by them, he began to issue a series of edicts which were inspired by the new enthusiasm. So thoroughly had the defeats in the Japanese war discredited the conservative party that for a time it seemed as if the emperor would have a free hand in his reforms. True, the Manchus were against him from the first, as were most of the older influential officials. But there was a wave of popular enthusiasm for reform. The masses expected better times. Then, too, the reformers identified themselves with the Chinese as distinguished from the Manchu nationality.[1] They celebrated the birthday of Confucius. They went far enough herein to give the empress a pretext to look upon them as rebellious agitators whose cry was for China, but not for the Manchu dynasty.

The active reform policy began with the issuance of the edict of January 29, 1898. This edict provided for the holding of special examinations in scientific and technical studies, and abolished the artificial essay system which up to that time had been a main element in the examinations. The Weng Chang — the literary essay of the government examination — is an artificial, inflated form of composition, which calls for the use of the

[1] The party of reform was really a party of nationalism in its beginnings.

largest possible number of unusual words and expressions; it is divided into arbitrary sections, and is altogether so factitious and foreign to ordinary, rational ways of thought that it took the greater part of a student's course to acquire satisfactorily this literary method. The edict also ordered the establishment of schools on Western models in the district towns and prefectural cities, and of universities in the provincial capitals. To complete the system, a great imperial university with a faculty trained in modern science was to be established in Peking. Even in the lower parts of the curriculum, such studies as geography, history, and science were introduced by the side of the old classics.

While education was the principal matter with which the reform movement concerned itself, other progressive measures were not neglected. Railway building was urged, and a bureau of mines and railways established, as also an intelligence department for the translation of foreign technical and scientific literature. Inventions were to be encouraged by the granting of patents. Extensive army reforms were planned. Thus, the old examination of the military mandarin, which consisted of a trial in accuracy with the bow and in lifting heavy weights, was replaced by more modern tests. Reform newspapers were everywhere established. In the granting of railway concessions to foreign corporations, it was always made a condition that schools for the practical training of the Chinese in

railway engineering and mining should be established in connection with the works.[1]

It may be seen from this, therefore, that the Chinese reformers were by no means inclined to cast to the winds the old prominence of education in the empire, but that, on the contrary, they meant to use it as the most powerful lever of progress and reform. Of late it has become fashionable to jeer at the Chinese as unpractical pedants who have turned their empire into a school and their governors into schoolmasters, with all the weakness, conservatism, and lack of any practical character that some people so gladly attribute to that profession. But those who yield to this fashion of speaking forget or disregard the fact that in this very system the Chinese have a marvellous instrument for rapid progress. When once the leaders become convinced of the necessity of Western reform, the educational system can be utilized to bring about a transformation in the methods of thought and work far more rapidly than that process could be effected in a Western nation.

The emperor, after having taken these general measures, entered upon more detailed reforms by abolishing specific sinecures. Here great caution was necessary, because at once all office-holders began to tremble for their incumbencies, and out of their common fears it was easy to construct an ultraconservative party that would resist as

[1] See *Consular Reports*, September, 1899, p. 69.

dangerous any suggestion of reform. It was here that the emperor encountered resistance from the empress dowager. Caring more for persons than for principles, when she saw those from whose adherence she drew her power and prestige fall victims to the new movement, this imperious woman soon formed suspicions which were rapidly fanned into violent distrust of the emperor. It is quite probable that the emperor had been advised to gather into his own hands the full powers of the government; but it is extremely doubtful whether any direct steps against the person of the empress had been contemplated.

Her prompt decision and action are now matter of common knowledge. Gathering about her the many dissatisfied and disaffected elements, she seized again the reins of government, dismissed at once the reform cabinet, executed eight of its members[1] and forced the others to flee for their lives. All this was most adroitly done in the name of the emperor. Upon second thought and deep consideration of the circumstances, so ran the imperial announcement, he had concluded that his reform advisers were not wishing him well! The spirit of his reforms he desired to be carried out, but not so the letter! The reform edicts were, therefore, practically revoked and the old methods of examination and administration were reintroduced; the new institutions created for the admin-

[1] They made a touching declaration that they were martyrs in a great cause, and that they died in trying to save their country.

istration of mines and railways were, however, allowed to continue. The reform newspapers were suppressed, and all adherents of the reforming policy were subjected to petty persecution. The emperor, thus robbed of all authority, had nothing left to do but to write touching letters to his exiled minister, Kang Yeu Wei,[1] imploring his sympathy. He has since been several times reported dead, and in February, 1900, it was announced that he had resigned his office in favor of Prince Pu Chun, a nine-year-old child who is completely under the control of the empress-dowager. At any rate, whether still alive or not, he has ceased to be a factor in Chinese politics.

Various conclusions have been drawn from this reform episode. The most common view is that Chinese officialdom is corrupt to such a degree that reform from within has become impossible, unless there shall arise some great and powerful genius, with the inclination and the personal power to force the corrupt and decadent mandarins into a new policy. It is readily apparent that the emperor, while intelligent, patriotic, and well-meaning, lacked the personal force and strength of character necessary to accomplish a complete reform. By such as share this view it is therefore concluded that China can best be saved by the tactful interference of foreign powers firmly pushing her along the path of progress by the

[1] This reformer was early in 1900 engaged in fomenting a rebellion against the empress in southern China.

establishment of new industries and new methods of education.

Others see in the emperor's defeat only a temporary set-back to progress. The seed has been sown, as one of the eight martyrs said, and it is certain to bring forth fruit before long. The fact that railway concessions continue to be granted; that Western industrial methods are more and more being adopted; and that popular resistance to the exploring parties, or, in general, to the construction of railways and mining enterprises, is infrequent and confined to certain provinces,[1] may be cited as a sufficient indication of the dawning of a new era.

When all is considered, the emperor's attempts cannot be stigmatized as too radical. His interference with the administration was narrowly limited. He addressed himself rather to the intelligence of the nation, hoping to accomplish the desired results by familiarizing that national intelligence with Western modes of thinking. The intense interest shown by all classes in the Western learning recently opened up to them is a guarantee of a reform which no coalitions among the officials can long render nugatory. The party of progress may be silenced for a time, but the Chinese nation is too practical to have missed the lesson given it by the emperor. Manchu conservatism may for a time stand in the way of reform, but it cannot render futile this great movement.

[1] Especially Shantung and Szechuen.

One point is of special political importance in this connection. The Manchus, who are the conservatives, are naturally allied with Russia and Russian interests, while the reformers look to Great Britain as the champion of their ideals. Nothing could, therefore, aid the cause of reform more surely than the effective display of British authority and power. It is conceded by all that Russia has obtained her numerous concessions through the fear she inspires in the mind of the Chinese. They have come to look upon the northern empire as the irresistible power, and all officialdom bows before the emissaries of the Czar. A strong, consistent, unwavering policy is necessary to impress the minds of these Orientals.

Turning now to the resources of China, we find that their development has been retarded by the same ideas which we have seen dominating Chinese politics. The unequalled natural wealth of the empire has hardly been touched. The coal fields in one province, according to a geological authority,[1] could, at the present rate of consumption, provide the world with coal for twenty centuries. In close proximity to this store of energy are found the minerals and ores in the extraction and industrial preparation of which it is destined to be employed. The reason that this wealth has not been more fully exploited lies in the fact that until very recent times agriculture was considered — as it was also by Aristotle and Plato — the only true and

[1] Baron von Richthofen, *China.*

permissible wealth-producing activity. In the hierarchy of classes, the farmers rank immediately below the mandarins. Moreover, use of the soil in agriculture is not of such a nature as to disturb the spirits which, according to Chinese belief, inhabit the earth. This geomancy of China is still of great practical importance. Thus, because high towers would disturb the flight of the good spirits, there cannot be found in any of the cities of the empire towers exceeding a hundred feet in height. For the same reason, any penetration into the soil more than that wrought by the plow is believed to be an offence against the mystic powers. It was on this ground — that subterranean dragons would suffer and be irritated by the harrowing of the earth necessary for the construction of railways — that mandarins of the old school based their opposition to railway concessions. In the contract under which the great mining concession in Szechuen was granted last year to Mr. Pritchard Morgan, the attitude of the present government in this matter is clearly indicated. One of the articles of the contract reads: "Let no one obstruct the work on the ground that it is injurious to Fêng Shui (the earth spirit) as long as the galleries dug below the ground are not injurious to the soil above."[1] It would appear, therefore, from many recent occurrences that while geomancy is still a force to be reckoned with, its adherents are becoming the minority party.

[1] *Consular Reports*, September, 1899, p. 69.

The present work is not a fitting place in which to detail at length the varied resources of the Chinese provinces. For purposes of political treatment, it is sufficient to state the general conclusion reached by all who have investigated the matter. According to them, it may be predicted with absolute certainty that the coal and general mineral wealth of China, taken in connection with the vast and highly trained, frugal, and capable population, will, during the coming century, make China the industrial centre of the world, and the Pacific the chief theatre of commerce.

CHAPTER II

The Actual Nature of the Interests acquired by Foreign Nations in China

Having now considered the internal conditions of the Chinese Empire, we have arrived at a point where we can properly view the actual inroads made upon the empire by foreign powers. It is of the greatest importance to ascertain clearly what has actually been done; what concessions and privileges have been obtained; to what degree these concessions and privileges are purely industrial and commercial, and how far, on the other hand, they have a political bearing. It has become too common to make rash and sweeping overstatements in this matter of concessions; to say, for instance, that some government has obtained control of a province of China, when, as a matter of fact, the grant of some limited mining rights to a foreign corporation is the sole basis of the report. It is essential to see how much the Chinese government reserves to itself and to its subjects in making the different concessions, and also to note clearly the nature and extent of all differences in its treatment of the various European nations.

The idea that China is the feeble, unresisting prey of European nations, who are at liberty to help themselves to any part of its territory and establish protectorates there, is preposterous — and almost ridiculous. The concessions so far obtained, with the exception of those in which the political nature and political origin were openly and in terms avowed,[1] are strictly limited in scope. Before they could be turned into complete political control, great sacrifices of blood and treasure would have to be made, if indeed such control were at all possible.

The terms *sphere of interest* and *sphere of influence* are constantly being used as if they implied the exercise of actual political authority within the "sphere." It is for us to see how far such political interference is possible in China at the present time. The technical meaning of the term *sphere of interest* is an area or territory within which a nation claims the primary right of exploitation of commercial and natural resources. The term *sphere of influence* is by some thought to refer to a certain degree of political control, however slight it may be; but it is continually used interchangeably with *sphere of interest.* The terms are therefore flexible. To mention an instance of one extreme in the meaning of the term, the veiled protectorate in Egypt might be called a sphere of

[1] Thus certain concessions to Russia, Germany, and France were confessedly of political origin, growing out of the interference of those countries in behalf of China, in matters consequent upon the Japanese war.

influence. At the other extreme is the meaning of the term as applied in China at the present time, where it signifies a portion of territory wherein a nation has expressly or impliedly declared that it will permit no other nation to exert political influence, and that itself will lead in the exploitation of natural resources. Of course, should a partition of China actually come about, these spheres of influence would be regarded as preëmptions of Chinese territory; but to regard them at present as anything other or more than spheres of influence for a priority of industrial exploitation, is to anticipate history, or to imagine events that may never be realized. We must avoid allowing ourselves to be confused by the possibilities of the situation, and must endeavor rather to see clearly the actual character of the rights and concessions thus far acquired.

If, then, we turn to an enumeration of the interests and concessions thus far acquired in China by Russia, Germany, Great Britain, France, and Japan, we shall, upon investigating them, have a firm basis upon which to rest our judgment of the immediate course of development of Chinese history.

It will be best to study railway concessions first of all. It has been said that the politics of China are railway politics, and, as we have shown before the manner in which railways are used in modern imperial expansion gives considerable color to this assertion, though we do not grant to it the full force which some have attributed to it. We must

first rid our minds, however, of the idea that the railway concessions in China are in all cases made directly to European governments. In no instance have the Chinese parted with the ultimate property in the railway for which concessions have been granted. In the case of even the largest railways, concessions limited strictly to the right of constructing and exploiting the lines are granted to foreign capitalists, while property in the line and the larger share of the profits of operation are reserved to a Chinese corporation and the Chinese government.[1]

As the railway politics of China are considered of extreme importance with regard to the future of the country and the influence of European nations there, it will be well to speak a little more in detail about the various railway systems proposed and about those actually begun. Altogether, concessions covering about ten thousand kilometres of railway lines have so far been granted. There is now evident on the part of China a disposition to put a stop for the present to the policy of concessions, in order that the working of the present plan of operations may be tested before further undertakings are planned.

Beginning at the north, we have first the Russian system, operated as the "Railways of East China" by the Russian government. The concession was first obtained with the object of extending the trans-Siberian railroad from the Baikal

[1] See Regulations for Mines and Railways in China, at the end of this Part. The Russian lines are an exception.

region through Manchuria directly to Vladivostok. The line as now surveyed will pass through Bodune, and will be 1425 kilometres in length. After Port Arthur was acquired by the Russians, a spur, passing through Kirin and Moukden, and having a total length of 800 kilometres, was planned and begun. This, again, is connected with the important port of Newchwang. The concessions to Russia are the most liberal in their terms that have been granted to any country, giving to the Russian company, — which is simply a mask for the Russian government,[1] — complete latitude in the matter of construction and exploitation. By the contract, the line is to revert to the Chinese government after eighty years, but there may be many a slip before that reversion is enforced.

Some writers are inclined to believe that the value of the entire Siberian system will be chiefly strategic, since, in their opinion, the population of the country through which the road passes is so sparse and the important towns so few that the freight and passenger traffic will hardly pay the expenses of the line. This view of the purely strategic character of the Siberian railway is, however, already shown to be false, or at least one-sided, by the remarkable amount of traffic over the new route, so far as it has been completed. The num-

[1] For the organization of the company, see the extract from the *Official Messenger of the Empire*, cited in the *Revue des Deux Mondes*, Vol. CXLVIII., p. 834.

ber of passengers transported on the western and central division rose from 244,000 in 1896 to 512,000 in 1897, and to 948,000 in 1898; while in the same period the amount of freight rose from 191,666 tons to 616,000 tons.[1] As a result of this development, the prosperity of the caravan industry has been materially impaired, and it is believed that the burning of railway bridges is to be laid to the carriers, who have already suffered a loss of income. Travellers describe a veritable glut of merchandise on the Russo-Siberian frontier, waiting to be transported to the interior of Asia. It must be remembered also that the colonization of Siberia is progressing with rapid strides; it is estimated that in 1898, 400,000 immigrants entered Siberia. The country has shown itself well adapted to agricultural settlement, and its mineral wealth is amazing. It is also expected that, as soon as the line to Port Arthur shall be completed, a flood of immigrants will pour into Manchuria. Then, too, the time between western Europe and Shanghai will be reduced by six or seven days, so that not only mail, but also passenger traffic, will seek the Siberian line, at least until other and still more direct means of communication shall have been constructed. Moreover, while it is doubtless true that the railway can never supersede sea navigation for the carriage of ordinary bulky freight from Europe to China, still the numerous new colonies that are now growing

[1] *Consular Reports*, November, 1899, p. 410.

up along the line will assure to it a considerable amount of freight traffic. The Russian government itself did not foresee the rapid development of Siberia. Strategical purposes may therefore have been quite prominent when the construction of the railway was decided upon. The line has been built very economically; it has steep grades, sharp curves, and a poor quality of rolling stock and stations; all of these facts show how little traffic was originally expected. In fact, the line will practically have to be rebuilt to meet the requirements of a great transcontinental railway.

Since the Russo-British agreement of April, 1899, which was supposed to settle all questions of railway extension as between the two countries, Russia has asked for a new concession from Newchwang to Peking. As there is already connecting these two points a line which is partly in the hands of British capitalists, this act of the Russian government has been interpreted as a political move, designed to gain control of the present Chinese seat of government. In this connection the question of road gauge has an important bearing. The Russian gauge is the "broad gauge," 1.52 metres, or 5 feet, in width, while the regular gauge used in western Europe, in America, and in the European systems of China, commonly known as the "standard gauge," is 1.43 meters, or 4 feet 8 1-2 inches. The fact that rolling stock can therefore not pass from the Russian system to the other Chinese systems, furnished a strong motive for the extension

of the Russian line to the interior of China. In view of the remarkably rapid development of Siberia, this extension might be interpreted as a purely commercial measure, designed to facilitate the transportation of freight from the centre of China through Siberia. On the other hand, a political purpose might also be understood, since in case of war it would be of exceedingly great importance to Russia to be able to transport her troops on her own lines to the very centre of China. Up to the present moment, however, Russia has contented herself with the assurance from China that she shall be offered the first chance, should a direct concession between Peking and Newchwang ever be granted.

Manchuria, a province exceedingly rich in natural resources, is, as compared with other provinces, thinly populated, having only about eight million inhabitants, so that, more than any other part of China, it can be looked upon as a possible field of colonization. It will take some decades to begin the effective development of the vast resources of this province, but even if Russia should not extend her political influence beyond its borders, she would none the less be in a position to build up a powerful empire in this extreme portion of her realm. The territory through which the Manchurian railway passes presents great difficulty on account of mountain ranges and marshes, and it is therefore not probable that the railway can be finished before 1905. Persons who are inclined to

give a political interpretation to everything now passing in China say that that year marks the term of the lease of life granted to the Celestial Empire. Should she succeed in strengthening herself and initiating a reform before that date, her future, they say, need not be despaired of; but otherwise, she will fall an easy prey to Russian power and intrigue.

The next line to be considered is that between Shan-hai-kwan and Newchwang, a distance of 415 kilometres. This line is an extension of the original Chinese railway from Tientsin to Shan-hai-kwan. It was planned by The British and Chinese Corporation, in which The Hongkong and Shanghai Banking Corporation is interested, and was conceded to that company. It is constructed with the standard gauge, and, connecting two important ports, is of considerable commercial value. As the road was to be managed by British capital, its construction was opposed on political grounds by the Russian government, which claimed the exclusive right of exploitation north of the great wall, or beyond Shan-hai-kwan. An arrangement was finally made, however, by the terms of which the rights of foreclosure usually reserved by foreign capitalists as security for loans were not to apply to this line; the promoters and capitalists concerned in the construction and management were to have a lien simply on the income and not on the body of the line, so that the likelihood of its passing into the hands of foreigners was excluded. Under this arrangement, Russia gave her

consent to the construction of the road, the whole matter being settled in the Russo-British agreement of the spring of 1899. Political writers are inclined to look upon the acceptance of this concession by British capital as a mistake, because in case of war with Russia it would be extremely difficult to hold the railway. They even go so far as to urge an exchange of the British rights in the Newchwang railway for the concession which has been granted to the Russo-Chinese Bank of a line south of Peking in a region where English capital is already interested.[1]

The lines in the province of Pechili are owned and managed by Chinese capitalists with the aid of European employees. The first permanent railway, — to which reference was made in the last paragraph, — was the one built by Li Hung Chang from Tientsin to his mines; later extended to Shan-hai-kwan; and then, after the war, to Peking. The personnel of the service is Chinese, except in the case of engineers, who are still mostly Europeans, but who are being gradually replaced by natives. The railway is exceedingly profitable, even though the rates are comparatively low — for instance, one cent per kilometre for first-class fare. It has been estimated that the Pechili system earned last year $1200 net profits per kilometre, the gross earnings being $6000 per kilometre.

South of Peking and Tientsin extremely important railway concessions have been granted. Ger-

[1] See p. 133.

many has obtained exclusive exploitation privileges, including the right to make railway concessions, in the province of Shantung. The gist of the industrial concessions made to Germany in that province is contained in the following paragraph of the agreement between the Chinese and German governments:[1] —

"If the Chinese government or individual Chinese subjects should at any time have plans for the development of Shantung, for the execution of which foreign capital is required, they shall in the first place apply to the German capitalists for it. Similarly, in the event of machines or other material being required, German capitalists shall in the first instance be applied to. Only when German capitalists or manufacturers have refused their assistance, shall the Chinese be entitled to apply to other nations."

On the strength of these concessions, a triangular line connecting Kiao-chow with Tsinan on the Yellow River has been planned, surveyed, and work thereon begun. This triangle encloses the rich mining region of Shantung, making it accessible from all sides. Although mountainous, Shantung is one of the most populous agricultural provinces of China, having 220 inhabitants per square kilometre — 570 per square mile.[2] Its coal and iron

[1] Published in the *Peking Official Gazette*, March 6, 1898.

[2] Compare with this the following figures representing the density of population of other parts of the world with which the reader is probably more familiar: —

	PER SQ. M.
Belgium (1897)	579.1
England and Wales (1891)	497.4
Rhode Island (1890)	318.4

deposits are esteemed especially rich, and its proximity to the sea makes it the ideal manufacturing province of the empire. The line between Kiaochow and Tsinan will be used to convey to the ocean the vast inland traffic received from the rich provinces of Honan and Shanse. It is even stated that railway preëmption rights along the whole valley of the Hoangho or Yellow River have been granted to Germany, in which case the British sphere of influence along the Yangtse River and the German sphere of influence along the Yellow River would extend side by side to the western confines of the empire. If the report of this concession is founded on fact, the danger of collision between Russia and England would be lessened, inasmuch as Germany practically thus inserts a wedge between the regions coveted by the other two powers.

Coming now to the principal English concessions, we first note the line between Tientsin and Chingkiang, near Nanking. This line follows the route of the old imperial canal, which has become so obstructed that it can be used only for local service and can offer little effective competition with the railway freight traffic. The line, as surveyed, passes through Tsinan, and, as it will connect the capital with the region of Shanghai, is bound to be one of the great trunk lines. By arrangement between German and English capitalists, the construction and exploitation of this line is to be divided territorially between the two nations. The

northern portion, extending as far south as the boundary of Shantung, has been surveyed by German engineers, and is to be constructed by German capital. This region presents special difficulty on account of the soft soil in the valley of the Yellow River. Fifty years ago that majestic stream suddenly changed its entire course, so that its mouth is, at the present time, three hundred miles north of where it formerly was; and although this performance marked the extreme point in the erratic character of the stream, it is still by no means constant to any regular river bed, but often changes its course and causes heavy losses and frightful devastations by its frequent floods. The southern portion of the line, which is to be built by English capital and skill, is in territory more favorable for construction. For commercial purposes, however, the entire extent of the line offers the most exceptional advantages. In the Yangtse River basin, The British and Chinese Corporation has obtained a concession for a line from Nanking to Shanghai and on to Ningpo by way of Hangchow, measuring in all seven hundred kilometres. These railways, connecting, as they do, commercial centres of the empire, all promise to be exceedingly profitable. They are granted on the same basis as are the Hankow lines, which will next be discussed.

The right to construct the great central trunk line of China, extending from Peking to Canton by way of Hankow, has been granted by the Chinese

government in two concessions. The history of the northern concession, covering that part of the line which extends from Peking to Hankow and is called briefly the Lou Han line, is especially interesting. As far back as February, 1896, a Chinese company was formed for the building of a trunk line between the imperial capital and Canton. Only Chinamen were to be allowed to subscribe and own stock in this corporation, whose capital is fixed at thirty millions of taels.[1] By October, 1896, the construction of both sections of the line was authorized, and the famous iron founderies that Chang Chi Tung erected near Hankow were then bought to assist in providing the material for construction.

As the undertaking was managed by mandarins, Chinese capitalists were slow in subscribing, and it was impossible to raise sufficient money to warrant the actual beginning of the enterprise. One of the purposes of Li Hung Chang on his trip around the world was to interest foreign capitalists in the industrial undertakings of his home. Various offers to provide the Chinese government and syndicate with the necessary funds were received, but finally that of a Belgian syndicate, called *La Société d'Étude des Chemins de fer en Chine*, and having its seat at Brussels, was accepted. This

[1] The Chinese tael is the unit of the money of account, varying in value with the fluctuations in the price of silver and also from place to place. Thus, in January, 1900, the Shanghai tael was quoted at 63.1 cents (American gold), the Haikwan tael at 70.3 cents. The latter (the Hk. tael) is the standard recognized by the customs authorities.

syndicate was assisted at the Peking court by the ministries of France and Russia, and also by the influence of the Russo-Chinese Bank. In May, 1897, it obtained the right of furnishing to the government a loan of twenty million dollars at five per cent interest, for which government bonds were issued at a discount of ten per cent. The syndicate also obtained the right to construct the line from Peking to Hankow. The engineering personnel for the building of the road and the materials of construction were to be furnished by Belgium.

When the nature of this transaction became known to the ministries of England and Germany, they protested violently, basing their protest on "the most favored nation" clause of their respective treaties. The influence of Russia, however, was at that time so strong, that despite all protests the Belgian syndicate was successful in obtaining the important contract. The imperial decree authorizing the construction of the line was not issued, however, until June, 1898. The transaction is looked upon as an important diplomatic victory for France and Russia, and it is not to be wondered at that political importance is attached to the control of this line, which will form a connecting link between the Russian and French spheres. The capital was actually furnished by French as well as Belgian financiers, the company now having seats both at Brussels and at Paris.

As the English were in very bad humor over the

capture of this valuable concession by their political opponents, it seemed expedient to the Chinese to make a sacrifice, in order to appease British displeasure. A victim was found in the person of Li Hung Chang, who was formally dismissed from some of his high offices. At that time it was openly stated that Li Hung Chang had counselled the Tsungli Yamên to make this grant because Russia was so much more formidable than England. The English government made the concession a pretext for demanding from the Chinese government important privileges, and among others, the concession of the Tientsin-Chingkiang line, which was to some extent to counterbalance the advantages of the trunk line to Hankow.

The English government was very emphatic in its remonstrances and demands. A naval demonstration which was made in the Sea of China had the desired effect. The Tsungli Yamên promised all that was demanded, including concessions for English lines, which have been mentioned above, together with the permission to the Peking syndicate to construct its exploitation railways in Shanse and Honan. The same provisions were to be made with regard to interest, mortgage rights, and rights of exploitation as had been granted in the case of the Hankow line.

Considering now the technical aspects of the Peking-Hankow line which has caused so much excitement and comment, we find that it passes through the very richest region of China. The

soil of Honan — loess — which is soft and at least fifteen feet deep, is so inexhaustible that from the very beginnings of Chinese history it has been cultivated constantly without need of fertilizers. It supports a vast and well-to-do population. Those very qualities of the soil, however, which make it so valuable for agriculture, make railway construction difficult. There is no rock within a reasonable distance of the projected line, and the soil is so soft that, especially near the Yellow River, it will not make a safe foundation for a railway. Opinions differ as to the difficulty of bridging the river at Kaifong. It was just below this point that the river changed its course in 1851. Above Kaifong, the bed of the stream is more regular, and even at Kaifong engineers believe that the construction of a bridge is possible, although at an enormous expense. The construction of the line has been begun from the north, and as the necessary capital has already been furnished, its completion may be looked for at a not distant date.

The southern portion of the main trunk line — between Hankow and Canton — has been conceded to an American syndicate, The American China Development Company, on practically the same conditions as those obtained by the Belgian company. Surveys for this line have been made, the large surveying party meeting with no opposition on the part of the natives at any place along the whole course. The conditions regarding loans, construction, and exploitation are practically the

same as in the case of the Belgian syndicate.[1] The main line will measure about 1650 kilometres, while branches will swell the total mileage to about 1850 kilometres. As the Peking-Hankow line has a length of 1300 kilometres, the entire railway will be about 3150 kilometres, or over 2000 miles long. British capital is also extensively interested in this undertaking, in which several large American trusts, including the Standard Oil Company and the American Sugar Refining Company, are participants.

The territory through which this line passes is not so phenomenally rich as is the northern portion; but, on the other hand, the construction will, it is believed, be much easier, and the trade between Canton and Hankow promises even to exceed that on the northern division. Inasmuch as the concessions have been made to private individuals and corporations, and the capital has been furnished by them, it is hardly possible as yet to attribute to this line any political significance beyond the possibility of interference for protection. As considerable English capital is invested in the enterprise, the concession is ordinarily enumerated among the British railways; and yet, judging from its founders, — Senator Washburn, ex-Senator Cary, and the late Senator Brice, — the line belongs rather to America.

Weighing the comparative probabilities of future success of the two branches of the central line,

[1] See p. 136.

and their respective advantages and disadvantages, the balance seems to incline slightly in favor of the American concession. It is true, the northern section traverses a richer agricultural region, and it also opens up by its branch lines most extensive mining resources. Moreover, the provinces which it traverses are the most civilized in China, provinces in which unprovoked disturbances would hardly occur. The region is a vast plain, without any topographical difficulties in the way of mountains or ravines. On the other hand is to be counted the consideration already mentioned, that the soil of this region, wonderfully, even inexhaustibly fertile, affords no sound substructure for a railway embankment. Again, as has also been noted above, neither rock nor wood in sufficient quantities can be found within reasonable distance. Timber will have to be imported from Manchuria, or, perhaps, even from the American continent, while to procure rock will involve huge expense.

Furthermore, to recall another consideration, the situation is rendered difficult by the frequent floods of the Yellow River, which would certainly destroy any embankment not built of the most solid material. English engineers have, therefore, advised placing the rails and ties immediately upon the soil without substructure, and abandoning the line during the flooded season after the method practised in Egypt. The line, not offering any resistance to the floods, would thus remain undisturbed, and, after the flood had departed, it would only

be necessary to remove the accumulated rubbish. Still another disadvantage affecting the financial success of the northern section is the fact that it will have to stand the competition of river navigation and of other lines already projected, such as the Tientsin-Chingkiang line. Indeed, most of the products of the mines of Shanse and Shense could be transported down the Yellow River and the Hankiang. Thus, though the line will undoubtedly be a paying undertaking, fabulous profits for the European investors can by no means be anticipated, especially as the Chinese government and corporation have reserved to themselves the larger portion of the net earnings. This seems to have been recognized by the commission sent by the *Crédit Lyonnais* to investigate the situation.

On the other hand, the southern section, the American concession, will pass through regions that are mountainous and desolate. For a part of its course, it will encounter the competition of navigation on the Siang and Kan rivers. Moreover, the natives of the interior of Hoonan are said to be especially savage and hostile to foreign invasion, although the experiences of the surveying expedition did not include any disturbance or molestation by natives. The district, however, is one of the richest mining regions in China, Hoonan having about thirty thousand square miles of mining territory, while the agricultural resources of other sections of the route are similarly extensive. Though the region is mountainous, it does not

offer any serious obstacles to construction, while, of course, rock for embankments is present in the desired quantities. There are no large rivers to bridge, no floods that will demolish bridges and embankments. The line joining Hankow — with its three million inhabitants — to Canton and Hongkong, which together have an equal population, must, by the very nature of its termini, ultimately be a success. Once constructed, it can be looked upon as permanent, and the expenses for repair need not be excessive. To many engineers, therefore, notwithstanding the fact that at first sight conditions along the northern line seem more advantageous, the southern section seems to have a more assured future financially.

The city of Hankow, at the middle point of this central trunk line, has perhaps a more brilliant future than that of any other city in the world. It is at the head of the deep-sea navigation on the Yangtse, and although it is five hundred miles from the Pacific, the largest vessels can penetrate to the Hankow wharves at most times of the year. With its adjacent towns, Hanyang and Wuchang, it has already three millions of inhabitants, a magnificent manufacturing population. The great iron works founded at Hanyang some years ago are now furnishing a large part of the rails for the central line, and the iron industry has therefore taken a firm footing in this city. The great trunk lines of China and three mighty rivers, as well as the ocean, all aid therefore in concentrating

trade and manufactures in this central town of China, which is surely destined to be the industrial capital of the empire.

Some very important railway concessions have been granted in the rich mining provinces of Shanse and Shense, southwest of Peking. Much to the surprise and annoyance of England, the Russo-Chinese Bank has obtained the railway concessions from Chengting to Taiyuan, with a preëmption of an extension to Singan, the capital of Shense. As Singan is the terminus of the trans-Asiatic caravan route, it is believed that this concession was obtained by Russia with the purpose of fixing her hold on the northern portion of China. A portion of this line has already been surveyed by the engineers of the *Crédit Lyonnais*, while the French *Compagnie de Fives-Lille* is charged with the construction by the Russo-Chinese Bank, which, with French aid, furnishes the capital. When it is remembered that Singan, the ultimate objective point of this line, is an important town, — it had already been suggested that the Chinese capital be removed thither, in order to escape Russian influence, — it is evident that political significance may easily be attributed to this undertaking. Neither French nor Russian industry has any interests in this region at the present time. The line constitutes, therefore, a preëmption on the future.

The Peking syndicate, in which Italian and English capital is interested, and which has

valuable mining privileges in Honan and Shanse, has also obtained the right to build railways connecting these mines with rivers and with the trunk lines. A railway between Lungan and Siang-yang has already been determined upon, and it is evident that the invasion of this territory by Russian lines will cause considerable irritation.

Coming now to the projected railroads in the far south of China, we may first speak of the English proposal to connect the head of navigation of the Yangtse with the terminus of the Indo-Burmese line. From Kunlon ferry, in Burma, by way of Yunnan, to Loo, near the head of the Yangtse navigation, is a distance of about eight hundred miles. The line would meet with the most formidable obstacles to construction, as its course is crossed by the high mountain ranges of the boundary, so that, as one engineer has said, the excavation of six or seven Mont Cenis tunnels would be necessary. A recent exploring party has, however, discovered a route which is considered practicable. The commercial advantages of this route are small, inasmuch as Yunnan is sparsely populated, and, although possessed of considerable mineral wealth, is not adapted to manufactures. The strategical value of the road is, however, of the utmost importance, as a contest for China, or for influence in China, would have to be decided chiefly on land, and access by rail to the centre of the empire is a necessary condition of continued political authority and

influence. Though this line has been projected, and written about and talked about considerably, definite surveys have not yet been made, nor has any definite concession been granted. The construction of the line is, however, part of the declared policy of Great Britain in China.[1]

The extreme south of China is to be traversed by several French lines, parting from Hanoi, in Tongking. One line is to be constructed from Hanoi to Yunnan, and another to Nanning, a part of which, in Tongking territory, is already completed. Nanning, again, is to be connected with the harbor of Pakhoi. The difficulties in the way of these lines are very considerable. The Yunnan line is to be of narrow gauge,— one metre. While it is hoped that the mining resources which it is to open up will ultimately make it a paying investment, yet the aid which the French government so liberally accords to these undertakings is absolutely necessary to it, because no private capital could be enlisted in enterprises whose financial success is so problematical. In the last Indo-Chinese budget of the French Chambers, seventy million francs were set aside for the construction of these lines, which will be immediately pushed with vigor. Their importance seems to be rather strategical than commercial.

There are some smaller lines, the concessions

[1] See the speech of the Right Honorable St. John Brodrick, Under-Secretary of State for Foreign Affairs, in the House of Commons, June 9, 1899.

for which have already been granted, and projects for possible constructions are innumerable. As has been said, however, there seems to be a desire on the part of both the Chinese government and the foreign investors, to await the result of the opening of the present lines before any further great undertakings are planned or concessions granted.

It might be in place at this point to state the outline of the general policy of the Chinese government with regard to the more important railway concessions. The contracts, which may be taken as typical expressions of a matured policy,[1] are made between the native Company of Chinese Railways and the foreign exploitation syndicates. The foreign syndicate furnishes the loan necessary for construction at an interest rate of five per cent, the loan being issued at ten per cent below par, payable in equal annual payments in the twenty years following 1909. Then the construction company procures in the open market and at the best price all necessary materials and employs engineers and workmen. The land for the road is bought by the Chinese company and remains within its ownership. Government lands are in most cases given over to the Chinese company without other payment than the ordinary land tax. When the railway is completed, the Chinese com-

[1] The provisions here given are found both in the contract with the Belgian syndicate and in that with The American China Development Company, which may be taken as typical contracts.

pany takes charge of the financial side of the administration, while the technical management remains in the hands of the foreign syndicate. Of the net profits, the syndicate receives twenty per cent, while the remainder is divided between the government and the Chinese corporation.

From this it will be seen that the Chinese by no means make the liberal form of grant to which we have been accustomed in American politics, where whole empires have been granted along with the right to construct a line. In return for the risks of its loan, and for the labor of management, the construction company, under the terms of the concession just described, obtains only five per cent interest on the total cost of construction and twenty per cent of the net profits of operation. The Chinese exploitation company, on the other hand, whose only service has been the purchase of the land for the right of way, takes forty per cent of the profits; and the government, in addition to the reservation of the right to use the lines at half rates for transporting troops and ammunition, takes forty per cent of the net profits and has the final reversion of the lines. Although the railways so far planned will doubtless be enormously profitable, on account of the wealth of the regions through which they are to pass, yet it may be noticed that the Chinese capitalists and government have reserved for themselves the lion's share of the income. Despite all the natural advantages, therefore, which China possesses, European capital

has been rather backward about enlisting in the work of Chinese railway building. Thus the *Crédit Lyonnais*, after sending exploration parties through China, has recently refused to support exploitation on the above basis.

It is an interesting fact that in railway construction the Chinese government prefers trunk lines,[1] which will bind the various parts of the nation together and afford means of rapid communication for troops and officials, while the merchants prefer branch lines, because these may be used for opening up industrial regions by connecting them with waterways. There is, therefore, a constant struggle between the commercial and political interests in China, and all forward movement is the result of compromise between the two.

Turning now to the mining concessions that have so far been granted, we find that very little has yet been done from which one can form an estimate of the possible value to foreigners of such concessions. The question of residence outside of treaty ports has not yet been settled, and until foreign industrial colonies can with safety be formed in the mining areas, a successful management of the exploitation of mines seems impossible.

It will, however, be interesting and useful to consider the exact nature of the concessions thus far granted. Russia and Germany have obtained exclusive concessions within Manchuria and Shan-

[1] See memorial approved by the Chinese emperor, in *Consular Reports*, May, 1899, p. 66.

tung respectively. By this it is to be understood that the governments of these nations are authorized to grant mining concessions without further appeal to the Peking government, and that Russian and German capital, respectively, is to be given rights of priority in exploitation. So far as has yet become known, only one development company has been formed in Shantung. Outside of these exclusive concessions, we may mention the engagement of the Chinese government to treat French and English alike in the two provinces of Yunnan and Szechuen.[1]

It remains now to consider the direct grants by the Chinese government to foreign private corporations, two characteristic examples of which are the concessions to the Peking company and to the syndicate founded by Mr. Pritchard Morgan. The Peking syndicate, composed chiefly of English capitalists, but founded by an Italian, has a capital of £6,000,000. It has been granted the right to exploit the iron and coal mines of Honan and of Shanse for sixty years and to build all necessary railways. The mining district of Shanse, extending in a southerly direction, is 230 miles in length by 30 miles in width. According to the German geologist, von Richthofen, it is the richest mining region in the world, being able to furnish coal and iron for the world's manufactures, at the present rate of consumption, for two thousand years. The Chinese government reserves to itself

[1] By the Siam Convention of January 15, 1896.

twenty-five per cent of the net receipts, and the reversion, at the end of sixty years, of all the mines, railways, and machinery of the company. The manner in which the undertaking will be organized and conducted has not as yet been determined.

The other important concession is the one in Szechuen which has been granted to Mr. Pritchard Morgan. The text of the contract for this undertaking has been published *in extenso*, and from it we can gain a clear conception of what the Chinese policy of mining exploitation is. As we have seen above in the case of railways, so in the matter of mining, two companies are formed, the Hua Yi company and the Hui Tung company. The former, with a capital of one million taels, is exclusively Chinese and is organized for the purchase of the land. It is to buy and own all the mining lands which the exploiting company may wish to work, and is to carry on all negotiations. The shares of the Hui Tung company, which has a capital of ten million taels, are to be held half by Chinese, half by foreigners. The one corporation might be called the landlord company; the other, the exploitation company. In the first place, the exploitation company will send out engineering expeditions to determine what lands are promising, what mines are worth opening. Mines thus selected will thereupon be bought by the landlord company for a reasonable price. The exploitation company is to pay as rent five per cent of the

value of the output. A further five per cent is to be paid to the Chinese government as a tax. An export duty must also be paid according to a tariff now in existence. The contract goes on to say:—

"The area of Szechuen is very extensive, and all sorts of mines exist. Chinese who work on their own property are only required to obtain the necessary permission, pay the necessary taxes according to the rules in force, and they are in no way restrained. But if foreign merchants undertake to work the mines, their operations must be limited in some way or other. They must confine their operations to certain intendancies, prefectures, or districts, and not take the whole province as their sphere of work. Work must be started in the interior first and at the boundaries afterward. The Hui Tung company shall send engineers to find out first where are mines to be opened and what mines they are. If the same be in districts apportioned to savages, the Hui Tung must wait till they can find out whether the advantages will be greater than the injury, and devise other means to open them. The Hui Tung company in such event cannot compel the Hua Yi company to buy the lands quickly and hand them over for working. Any possible cause of disturbance must be avoided."

* * * * * * *

"If, after mines are opened, cemeteries or mortuary shrines are met with, some plans must be devised to avoid them. If the owners do not like to remove them for money given, no excavation will be allowed. In excavating, as long as the galleries dug below the ground are not injurious to the soil above, rascals are not allowed to obstruct the work on the ground that it is injurious to Fêng Shui (the earth spirit). Local authorities must be applied to for protection."[1]

[1] See *Consular Reports*, September, 1899, p. 67.

It is further stipulated that the exploitation company shall establish a school of mining and railway engineering, in some convenient locality in the mining district, so that Chinese youths may there obtain the necessary technical education. This same requirement is also generally attached to railway concessions made to foreign corporations.[1] The Chinese never omit the educational view of an undertaking. The exploitation company is to have control of every mine for a period of fifty years, reckoning from the date on which the mine is opened. At the expiration of that time the mines, with all the plant, machinery, buildings, and roads, are to be handed over to the Chinese government without compensation. The capital employed is to receive interest at six per cent. Ten per cent of the profits is to be set aside as a sinking fund for the repayment of capital. Of the remaining profits, twenty-five per cent goes to the Chinese government, and the rest to the exploitation company. It will be seen that here, as well as in the case of railways, the Chinese government has reserved to itself an important share in the earnings as well as the ultimate reversion of the entire property. Financial journals do not look with much favor on investments in mining undertakings to be conducted under such concessions as Mr. Pritchard Morgan's. The data as to difficulties of exploitation and local security are inconclusive. It is only where a strong government

[1] See Note 2, at the end of this Part.

practically guarantees security of investment, as is the case with Germany in Shantung, that investments are viewed with favor, or great and certain returns are expected.

The efforts of the Chinese government to centralize the administration of mining undertakings are witnessed by the following extract from a despatch of the Tsungli Yamên, communicated to the various governments in 1898 :[1] —

"In view of the undeveloped state of the mineral resources of the various provinces of the empire and the initial stage in the construction of trunk and branch lines of railroads, it has been this Yamên's policy to allow foreign capital to be used for these purposes, to the end that both Chinese and foreigners may derive advantages therefrom. But, in order to obtain good results, affairs must be well managed and money must be economically expended. It is feared that there may be unscrupulous Chinese persons who, claiming with fraudulent intent to be concessionnaires of this road or that mine, may enter into private agreements with foreign capitalists for the purpose of obtaining money under false pretences, and that foreign capitalists may become unwitting victims of such fraud, and waste their substance to no purpose. This certainly is not the object of our government in developing the resources of the empire, by opening mines and constructing railroads for the mutual benefit of Chinese and foreigners. Now, this government desires to give it the widest publicity, that all contracts for foreign loans to be expended for the opening of mines and construction of railroads in China, in order to be valid, must be certified and approved by the department of mining and railroads, and that all agreements privately entered into with foreign capitalists without the certification and approval of the department, no matter how

[1] See *Consular Reports*, April, 1899, p. 559.

large the amount of subscribed capital may be for the purpose of opening mines and constructing railroads, shall be deemed null and void, so as to put a stop to all fraud and deception and encourage fair and honest dealing."

By many writers, all these industrial concessions are immediately given a political meaning. Because an English syndicate has obtained concessions in Shanse or Szechuen, they add these provinces to the British sphere of influence. It may be proper to repeat here that the only direct interest which a government has on account of such a concession is the duty of protecting its citizens in the section in which the concessionary privileges have been granted, a duty which may, of course, eventually lead to interference, and may possibly even bring about foreign occupation. But this is a far road to travel, and the prompt attribution of political importance to all mining concessions leads only to confusion.

It is certain that China offers the most promising, the most marvellously remunerative field for industrial exploitation, but whether the conditions are such that European capital can safely risk investment without the strong and interested backing of a home government remains doubtful. The fact that the terms which the Chinese government makes to investors are apparently not liberal enough to invite the taking of great risks leads many writers to believe that unless an investment corporation has political backing which assures it financial support by its home government or which

promises effectual protection, investments will not be made.

That capital is, however, in some countries enthusiastic concerning Chinese development, is shown by the fact that the first issue of the Peking-Hankow railway loan was subscribed for twice over,[1] while the first issue of the loan raised by the French government for Indo-Chinese developments, including the railways in southern China, — a loan of two hundred million francs in shares of five hundred francs, — was subscribed for thirty-six times over in one day.[2] The fact that there were 110,000 single-share subscriptions shows that the middle classes in France are taking a very active interest in Chinese development.

It is unfortunate that political interference is constantly being invited in China on account of the insecurity which capital, unsupported by governmental backing, must necessarily feel. On the one hand, the possibility of such intervention leads large syndicates into political intrigues; on the other hand, it induces most writers to take a political view of all commercial undertakings, and thus tends to prevent an open and frank policy of international development and exploitation of China, with equal chances for all, and to substitute for such a policy a system of suspicions, secret negotiations, and mutual recriminations. Thus, in

[1] A. A. Fauvel, "Le Transsinien et les Chemins de Fer Chinois," *Revue Politique et Parlementaire*, Vol. XXI., p. 473.

[2] *Consular Reports*, April, 1899, p. 563.

China, commerce and industry, which might be and which should be the harmonious work of civilized nations, are turned instead into an instrument for sharpening international animosities which were already too sharp, and for increasing hostilities which were already only too intense.

In connection with this topic, it is also of interest to inquire what missionaries are worth to European nations, industrially and commercially. France and Germany have made especially successful use of claims for damages for injury done to missionaries and missions. Never before, perhaps, has so much material value been attached to ministers of the Gospel in foreign lands, and the manner in which, after their death, they are used to spread civilization is somewhat foreign to our older ideas of the functions of the bearers of spiritual blessings.

Thus, the French consul at Choongking, who is famous for his expansionist intrigues, demanded as compensation for damages inflicted on French missions, mining rights in six districts of Szechuen, extending over six degrees of longitude, together with an indemnity of 1,200,000 taels.[1] In May, 1898, Père Berthollet, a French missionary in Quangsi, was murdered. Among other compensations for this outrage, the French government obtained the right to build a railway from Pakhoi to Nanning. This concession was sought mainly in

[1] See Gundry, "The Yangtse Region," *Fortnightly Review*, September, 1899.

order to prevent a grant of the concession to Great Britain. The manner in which religious, industrial, and political considerations are combined in this case produces a somewhat incongruous result. The far-reaching and immensely valuable concessions obtained by Germany for the murder of two missionaries in Shantung are now a matter of common knowledge and illustrate the same political method.

Small wonder that the empress dowager in a recent decree[1] enjoined all officials of the empire to give missionaries and churches special protection! The murder of a European missionary is one of the most expensive indulgences the Chinaman can nowadays permit himself. The empress dowager says, in the characteristically naïve language of Chinese state papers: "There have been several cases of riot in Szechuen which have not been settled. The stupid and ignorant people who circulate rumors and stir up strife, proceeding from light to grave offences, are most truly to be detested." Then follow instructions to the officers to afford careful protection to Christians.

It will be profitable to consider at some length the general commercial advantages enjoyed by all of the foreign nations under "the favored nation clause." Up to the present time, twenty-four treaty ports have been opened by the Chinese government. In these, foreigners may reside and carry on business. In addition, about fourteen custom-

[1] The decree appeared in the *Peking Gazette*, October 6, 1898.

houses have been established at other places for the reception of foreign goods. Since the Treaty of Shimonoseki, the right of foreigners to establish manufactures in the treaty ports has also been conceded, and a marvellous advance in Chinese industry has already been brought about by this concession. The manufactures of Shanghai are especially productive and prosperous.[1]

[1] Following are the lists of treaty ports in the order of the value of their foreign imports, given in the *Consular Reports*, 1899: —

1896.	1898.
1. Shanghai.	1. Tientsin.
2. Tientsin.	2. Shanghai.
3. Hankow.	3. Hankow.
4. Chingkiang.	4. Chefoo.
5. Canton.	5. Swatow.
6. Chefoo.	6. Chingkiang.
7. Ningpo.	7. Canton.
8. Swatow.	8. Newchwang.
9. Newchwang (Manchuria).	9. Ningpo.
10. Amoy.	10. Choongking.
11. Choongking.	11. Amoy.
12. Kiukiang.	12. Kiukiang.
13. Foochow.	13. Foochow.
14. Wuhu.	14. Wuhu.
15. Pakhoi.	15. Woochow.
16. Kiungchow.	16. Hangchow.
17. Ichang.	17. Pakhoi.
18. Wenchow.	18. Kiungchow.
19. Hangchow.	19. Sanshui.
20. Shashe.	20. Kongmoon.
21. Soochow.	21. Wenchow.
	22. Soochow.
	23. Ichang.
	24. Shashe.

See the map for the chief treaty ports and custom-houses.

Since the administration of the foreign maritime customs has been systematized and regulated under the excellent management of Sir Robert Hart, trade with the seaports has been freed from the inconveniences which formerly attended the irregular custom-house examinations. A further advance was made in 1899, when the administration of the *likin*, — the inland customs revenue in the Yangtse region, — was placed under the direction of the administration of the imperial customs. Before that time, special *likin* had to be paid in every district through which imported goods passed. At every custom-house endless bargaining and haggling was necessary to secure reasonable terms, and even then the accumulated taxes were so great as to prohibit importation to points far inland. The origin of this most recent reform was in connection with the Anglo-German loan, contracted in 1898. Some sufficient security was needed, — the maritime customs being already fully pledged to European nations and to Japan, the *likin* had to be resorted to, and the Yangtse inland customs were pledged for the loan.[1] This systematized administration will not only be a great gain to the Chinese government in preventing the immense leakage that formerly took place, when more than two-thirds of the entire tax was wont to

[1] It is interesting to note that the connection between finance and reform, so characteristic of English history, may also to some extent be traced in China. Thus in the reform of the inland *likin* a fiscal need was made the lever of an important commercial reform.

disappear into the pockets of officials, without ever reaching the treasury, but will also render possible a profitable commerce with the inland provinces.

The system of river passes which was used for some time and which was especially enforced by Sir George MacDonald, British ambassador, — a system by which foreign vessels were given the right of paying the complete duties at the final place of landing the goods, — did not prove satisfactory under the old régime. With the new form of administration, the system of giving river passes will be continued, but a strict supervision will render impossible the petty exactions to which merchants have always been subjected at the various inland custom-houses.

Early in 1898, river navigation was opened in all provinces that have treaty ports,— that is, in practically the entire empire, with the exception of some inland regions.[1] On its face, this seems to be a far-reaching and important concession. Its importance, however, is greatly lessened by the fact that with the concession there have not been designated any additional localities where foreigners may reside, and where they may carry on business and have depots and warehouses. Without such an additional concession, foreign commerce will be at the mercy of native tradesmen, and it is therefore generally believed that it cannot be carried on profitably away from the treaty ports.

The new Yangtse River regulations designate,

[1] See *Consular Reports*, July, 1898.

in addition to the eight treaty ports along the river, five other towns where goods may be landed. When we consider that the navigable portion of this river is over twelve hundred miles long, the real meagreness of the concession becomes evident. Shipment or discharge of cargoes at other points is prohibited, and it is required that the system of river passes be used by all vessels bound for treaty ports. Chinese merchants have become intensely dissatisfied with the system of river passes, because under the new form of administration, there has come to be an actual differential advantage in favor of the foreign merchants. A complete remodelling of the inland customs system, including the native Chinese trade, may, therefore, be looked for, because the Chinese are anxious to adopt reforms, wherever a practical advantage, measurable in dollars and cents, may be gained by the change.

A study of the interests of the various nations in Chinese commerce is also important, because it casts a strange light on the political pretensions of some of them. In considering Chinese trade statistics, it must be remembered that many foreign imports, although originally brought from continental countries or from America, are entered as British, because they come immediately from British possessions. Thus, the entire Hongkong trade with China, amounting to $120,000,000 a year, is usually reckoned as British, although over one-third of it is composed of American, French, and German imports.

Following are the figures giving the value of the trade of various countries with China during the year 1897:[1]—

Countries.	Imports into China.		Exports from China.		Total.	
	Hk. taels.		*Hk. taels.*		*Hk. taels.*	
Great Britain . .	40,015,587	$29,571,519	12,945,229	$9,566,524	52,960,816	$39,138,043
United States . .	12,440,302	9,193,383	17,828,406	13,875,192	30,268,708	22,358,574
Continent of Europe (Russia excepted)	8,565,807	6,330,131	25,878,118	19,123,929	34,443,925	25,454,061
Japan (excluding Formosa) . . .	17,564,284	12,980,006	15,832,034	11,719,873	33,396,318	24,679,879
All the Russias . .	3,442,449	2,542,971	16,410,439	12,127,314	19,852,888	14,671,284
Hongkong . . .	90,125,887	66,603,030	60,402,223	44,637,243	150,528,109	111,240,273
All the rest of the world.	35,120,678	26,954,181	13,410,206	9,920,142	48,530,884	35,864,323

In January, 1898, there were in all 11,660 foreign residents in the open ports of China. The principal nations were represented as follows:[2]—

Nation.	Number of Persons.	Number of Firms.
England	4929	374
United States	1564	
Japan	1106	
Portugal	975	
Germany	950	
France	698	
Norway and Sweden . .	439	
Spain	362	

[1] From *Commercial Relations of the United States*, 1898, p. 127.

[2] *Statesman's Year Book* for 1899, p. 458.

While the other countries show an increase, French population in China had fallen off from 933 in 1896 to the 698 given in the table above for 1898. Another index of the relative commercial interests which the nations have in China is contained in the statistics of shipping. During 1897, 44,500 vessels, registering 33,752,362 tons (34,566 being steamers, registering 32,519,729 tons), entered and cleared Chinese ports. Of these, 21,140 (21,891,043 tons) were British; 18,889 (7, 819,980 tons), Chinese; 1858 (1,658,094 tons), German; 653 (660,707 tons), Japanese; 333 (269,780 tons), American; 464 (423,122 tons), French.[1] Statistics for steam vessels entering the port of Shanghai in 1898 show percentages even vastly more favorable to England. They are as follows:—

Ownership.	Number of Steam Vessels entering Shanghai.
English	3157
Chinese	1470
Swedish and Norwegian	859
German	376
Japanese	268
French	112
American	52

Of the total tonnage of vessels entering and clearing Chinese ports in 1898, Great Britain had 62 per cent, China 24 per cent, and all other nations 14 per cent.[2]

[1] *Statesman's Year Book* for 1899, p. 466.

[2] *Consular Reports* for 1899.

Lack of security is the chief impediment to the development of the foreign trade in China. The British China Association, in a memorandum drawn up in response to a suggestion of Lord Charles Beresford, attributes the slow progress in the development of foreign trade with China to three principal causes: first, the entire absence of good faith on the part of China in the matter of treaty obligations; secondly, the absence of security for the investment of foreign capital in China anywhere outside of the treaty ports; thirdly, the general want of knowledge regarding Chinese affairs. The memorandum summarizes the situation in the following words: —

"We say then that the one thing needed for the development of trade, for the protection of capital, and for the extension of enterprise in China, is security, and we say that such security must be sought in fiscal and administrative reform together, which can only be effected through pressure from without; and we further say that the vast preponderance of British interests in China clearly demands that Great Britain shall lead and guide the movement. We attribute the hitherto neglect of the China question by our government to a policy of drift into which we have fallen, and a mistaken estimate of the strength of British prestige in the far East, coupled with a fallacious belief in the power of China herself. Other nations, newer in the field and comparatively unhampered by traditions of the past, have seemingly been better able to interpret events in the light of common experience, and have found opportunity in our complaisance and inactivity to exploit the situation to our disadvantage. Great Britain's sphere of influence should be wherever British trade preponderates, with the door open for equal trading opportunity to

al. This is an ideal which can never be reached without a resolute determination on the part of the British cabinet to lead and not to follow in Peking."[1]

This extract clearly shows the connection between politics and commerce in the far East, a connection which has become especially prominent of late. Thus, in 1896, Mr. Chamberlain said in a speech in Parliament: —

"All the great offices of state are occupied with commercial affairs. The Foreign Office and the Colonial Office are chiefly engaged in finding new markets and in defending old ones. The War Office and the Admiralty are mostly occupied in preparations for the defence of these markets and for the protection of our commerce. The Boards of Agriculture and of Trade are entirely concerned with those two great branches of industry. Therefore, it is not too much to say that commerce is the greatest of all political interests, and that that government deserves most the popular approval which does the most to increase our trade and to settle it on a firm foundation."

NOTE. — The accompanying map shows the railway concessions and the principal treaty ports, custom-houses, and other towns, in the eighteen provinces of China, and in southern Manchuria. The names of treaty ports and custom-houses in China proper are underlined. The spelling of Chinese names is a matter of as much dispute and uncertainty as is that of Shakespeare's name; all that an author can hope for, in this matter, is consistency.

[1] See *Consular Reports*, June, 1899.

CHAPTER III

The Political Influence of the Great Powers in China

It is noted by all authorities familiar with affairs in the far Orient that political prestige is of the utmost importance commercially. Political prestige and the demonstration of a firm purpose have given to Russia and Germany the exceptional advantages which they enjoy in their respective portions of the Chinese Empire. Through her alliance with Russia, France has succeeded in securing similar advantages. The conclusion to be drawn from these facts is not that nations should use their political influence to grasp at exclusive concessions, but that at the present time political influence is essential for obtaining commercial advantages in China. The Chinese are willing to follow the lead of the strongest. They are willing to reform their institutions and methods, if a strong nation will aid them in meeting the consequences. Whether a nation in its dealings with China is engaged in a policy of narrow, selfish exploitation, or in the broader policy of keeping vast markets open to international competition, in either case its object can be attained only by

a diplomacy which is backed by demonstrated political strength and a firm purpose to use it.

One very effective method by which the influence of foreign powers in China has been extended has been the making of loans to the government. Ordinarily, Chinese revenue is sufficient for the rather frugal requirements of the state. The nominal salaries of the officials are very small, and the general expenses of government comparatively low. Thus, although between fifty and seventy per cent of the total revenue collected disappears in the form of costs, or remains in the hands of the collectors, the imperial treasury has usually been able to meet its obligations without difficulty. The sources of revenue are a land tax, foreign marine customs duties, a salt duty, and the *likin* on merchandise. From these sources, just before the Japanese war, an annual income of about 89,000,000 taels was derived.[1] Of this amount about 20,000,000 taels went to the metropolitan administration and the imperial household, while 36,000,000 taels went to the provincial administration, including the cost of the army. The remainder was divided among various branches of the central government.

The debt before the Japanese war was comparatively trifling. In 1887, a German loan of 5,000,000 marks in gold was raised, followed in 1894 by a foreign silver loan of £1,635,000, and

[1] Report by Consul Jamieson, of Shanghai, cited in the *Statesman's Year Book*, 1899, p. 460.

in 1895 by a gold loan of £5,000,000. The last two were secured by the foreign maritime customs revenue. With the Chino-Japanese war began the financial difficulties of the Chinese government, which have been used as a strong lever by foreign nations for obtaining influence in the councils of the empire. The war indemnity paid to Japan amounted to 200,000,000 taels, to which there was added as compensation for the retrocession of some territory occupied by the Japanese the sum of 30,000,000 taels. The European nations were at hand, and briskly competed for the privilege of supplying the needs of China. Russia and France were successful in placing the first loan of 400,000,000 francs ($77,200,000) in 1895. That Russia recognized the political advantage to be obtained from the position of a creditor of the Chinese Empire is shown by the fact that she herself borrowed the money in order to lend it to China, a proceeding not common in public finance.

In 1896, a loan of £16,000,000 at five per cent was furnished by English and German capitalists. A further loan of £16,000,000 was furnished in 1898 by The Hongkong and Shanghai Banking Corporation and the *Deutsch-Asiatische Bank.* The conclusion of this loan was part of the negotiations among Great Britain, Germany, and China with regard to the Tientsin-Chingkiang Railway. The total amount of Chinese foreign indebtedness for the year 1899 is given as £53,021,840.[1] This

[1] *Consular Reports*, October, 1899, p. 328.

debt will entail, between the years 1899 and 1934, an annual payment of $12,474,605, principal and interest. Thereafter, the payments will be materially reduced, and by 1942 the total remainder of the present debt will be only £799,275 ($3,889,343).

When we consider the enormous resources of the Chinese Empire, the indebtedness will seem almost trifling, especially if we compare it with the national debts of European countries in 1899, as shown in the accompanying table.[1] It will be seen

Country.	Debt.	
England	£683,000,000	$3,323,819,500
France	1,284,000,000	6,248,586,000
Germany	107,717,015	524,204,853
Prussia	324,261,103	1,578,016,666
Bavaria	70,919,205	345,128,311
Total	502,897,323	2,447,349,830
Russia	978,000,000	4,759,437,000
Austria-Hungary:		
Austria	119,000,000	579,113,500
Hungary	181,000,000	880,836,500
Common debt	229,000,000	1,114,428,500
Total	529,000,000	2,574,378,500
Italy	510,184,900	2,482,814,812
Spain	369,645,700	1,798,880,799
Grand total	£4,856,727,923	$23,635,266,441

[1] Table of the national debts of Europe in 1899, *Consular Reports*, October, 1899.

from this table that the debt of England is twelve times that of China, while the debt of France is almost twice as large as that of Great Britain. This would seem to argue that the Chinese Empire could very well bear a much heavier indebtedness without at all putting itself in a position of embarrassing dependence. On account of the general corruption and intense conservatism of the Chinese government, however, it is very difficult to increase the ordinary revenue, so that special needs of the Chinese state have to be satisfied by outside aid. This consideration, notwithstanding the great resources of China, renders the empire especially liable to foreign influence through the instrumentality of loans.

As the railway loans, though guaranteed by the Chinese government, are not made directly to it, but are mostly secured by the property of the railways themselves, and are to be paid out of the income of the latter, they have not here been considered. In the event of corrupt and wasteful management of these railways by the Chinese administration, it might, however, also become possible to turn these loans into instrumentalities for exerting pressure upon the government for political ends.

In the code of regulations for mines and railways which was issued in 1898, the imperial Chinese government declares: —

"The mines and railways of Manchuria, Shantung, and Lungchow are affected by international relations, and therefore will not be allowed to form precedents either for Chinese

or foreigners. . . . Railway agreements giving mining rights along the route will not be allowed to form precedents in the future."[1]

This declaration places in a separate category, governed by international — that is, political — considerations, the concessions given to Russia in Manchuria, to Germany in Shantung, and to France in Lungchow, and it specially provides that these exceptional political concessions are not to be made a precedent in the ordinary administration of mining and transportation grants in the empire.

It will be well, therefore, to investigate the nature of the privileges granted to these three powers with a view to ascertaining whether they have obtained any rights of a purely political nature, and whether they have given to their industrial operations a character into which political purposes may be said to enter. We have already noted how important, in the present state of world politics, apparently insignificant concessions may be. A nation once obtaining a foothold, whether through missions, or railroads, or commercial concessions, cannot easily be dislodged, and is often by the current of events urged to look forward to more complete influence and even political control.

In Manchuria, Russia has leased Port Arthur and Talien-wan with the adjacent parts of the Liao Tung Peninsula. The northern limit of the

[1] § 3; see Note 2, appended to this Part.

concession has not been strictly defined as yet. Within this area the naval, military, and civil administration is controlled by Russia; to the north, Chinese political control still nominally continues, although Chinese troops may not be quartered there without the consent of Russia. This provision, taken in connection with the uncertainty of the boundary and the introduction of Russian garrisons, is a sufficient indication of the political purposes of the northern empire. Port Arthur has been turned into a strongly fortified naval base and is closed to foreign commerce and traffic. Talien-wan, on the other hand, or, as it has since been renamed, Dalny has been opened to the commercial fleets of all the nations,[1] and extensive improvements are contemplated by the Russian government. The tax administration of northern Manchuria is controlled largely by Russian officials under the veil of friendly advice to the local mandarins. In addition to all this, Russia has obtained exclusive mining privileges within the province of Manchuria. In other words, mining concessions within that region are no longer granted by the imperial government at Peking, but by the Russian administration.

That the Chinese government is still clinging to

[1] "In view of the commercial development of the future city, we confer upon it for the whole term during which that territory has been leased to Russia by China, under the agreement dated the 15th–27th of March, 1898, the rights of free trade which belong to free ports." — Imperial decree of July 30, 1899.

the semblance of sovereignty in Manchuria is evident from a Chinese imperial decree of December, 1898, regarding railway construction. The decree mentions the Shan-hai-kwan line as most important, and then goes on to say: "Beyond, Moukden and Newchwang are strategical points, and railways must be built."[1] As we have seen, the Newchwang concession was actually given to a British corporation, but Russia did not discontinue her opposition to this grant until she had made China deny to the concessionaries the ordinary mortgage and foreclosure rights, and had also secured from the Peking government the exclusion of all British control of the new lines.

That the Siberian and Manchurian railway, the industrial value of which has already been discussed, has also a great strategical and political importance must not be overlooked. According to a Russian imperial decree, the railway is to have "sufficient rolling stock to be able to form three sets of army trains per twenty-four hours." The railroad in Manchuria is already garrisoned by a force of 10,000 men.[2] Considering that England keeps India in order with a European force of 80,000 men, the protection of the construction of a railway seems to be most abundantly provided for by the Russian government. Wherever a railway station is erected, the flag of Russia is unfurled, usually above that of the Chinese Empire.

[1] See *Consular Reports*, May, 1899, p. 66.

[2] *Ibid.*, March, 1900, p. 275.

The railway company which was organized to build the Manchurian branch is, as has been said, merely a mask for the Russian government, and has a trusted coadjutor in financial matters in the Russo-Chinese Bank at Peking and Shanghai — a bank which is in close touch with the political purposes of the Russian Empire.

The German Empire is fully aware of the importance of political influence and prestige in the affairs of the Orient. Thus, the emperor sent his own brother to represent the interests of Germany in China, and Prince Henry has missed no opportunity to impress upon the Oriental mind the dignity of the German imperial house and government. He is the first foreigner who was ever presented to the Chinese emperor without the ceremony of *kotow*, — *i.e.*, abject prostration before the Son of Heaven, — and greeted by him on a footing of equality. To impress central China with the greatness of Germany, Prince Henry undertook a trip up the Yangtse River. The Germans are evidently preparing to take advantage of any opportunities which the shifting conditions of China may afford. As Minister von Buelow said in a speech in the Reichstag : —

"Mention has been made of a partition of China. Such a partition will not be brought about by us at any rate. All that we have done is to provide that, come what may, we ourselves shall not go empty-handed. The traveller cannot decide when the train is to start, but he can be sure not to miss it when it does start. The devil take the hindmost."

In addition to the lease of the port of Kiao-chow, where she exercises the same control as does Russia at Port Arthur, Germany, as has already been noted above, has obtained exclusive mining and railway concessions in Shantung. Syndicates desiring to develop mines must therefore obtain their concessions through the German government and not from Peking. The initial works for the construction of the railway were interfered with by Chinese mobs who did not like the high-handed manner of the German military and German officialdom. Troops for garrisons were therefore landed and encounters took place between natives and soldiers. Should difficulties of this kind continue, they would inevitably lead to a military occupation of the entire province, against which protests would be of little avail.

In the case of France, the political purposes of industrial undertakings are very evident. Organs of French colonial expansion have long discussed with evident favor the policy of establishing communication between the Russian and French spheres of interest in China, with the object of preventing Great Britain from exercising paramount control along the whole of the Yangtse Valley and connecting her sphere of interest in China with her Indian possessions. It is not strange, therefore, that political importance should be attributed to the Hankow-Peking railway undertaking, in view of the fact that both Russia and France used their diplomatic influence in

securing the concession. The rapidity with which the stock for this undertaking was subscribed at Paris, notwithstanding the unfavorable report of the *Crédit Lyonnais*, may also to some extent be attributed to political enthusiasm.

The Russians and French have long had their eyes on the city of Hankow, the natural centre of industrial China. As far back as 1896, an exclusive territorial concession was obtained here by Russia. Russian methods were illustrated by the ousting of many old inhabitants and by the contesting of titles that had been registered for more than thirty years in the British consulate. At present attempts are being made to gain an additional territorial concession in Hankow as a railroad terminal for the Hankow-Peking line. Politicians are inclined to look upon this as an attempt to form a Russo-French *enclave* in the Yangtse Valley.

In 1898, the French government, with the assistance of Russia, attempted to obtain an exclusive territorial concession at Shanghai. Pressure was brought to bear on the viceroy of Nanking, which was only relieved by the appearance of some British men-of-war.[1] The French demands were recently renewed with Russian support; but the requests of the ministers of other nations for an extension of the cosmopolitan settlement were granted, all the representatives except those of France and Russia signing the agreement. When

[1] "The Far East: Extension of Shanghai," *London Times*, September 2, 1898.

we remember the fact that the commercial interests of France in Shanghai are inconsiderable, and that at present they are actually decreasing, we can scarcely escape the conclusion that political motives were preponderant in all this agitation.

France has obtained a concession for the occupation of Quangchow Bay in Quangtung on a ninety-nine year lease, with rights and conditions similar to those of Russia in Port Arthur. The French railway undertakings in southern China are financed and managed entirely by the French government. Their commercial importance is avowedly small, and their predominant purpose is therefore generally considered to be political and strategical.

In this connection, it is interesting to note the expression of French colonial policy in Indo-China contained in a speech by the governor of that province, M. Dumer, before the Chamber of Commerce at Rouen early in 1899: —

"The *quod libet* which has presented itself to the administrators of this colony was the proper action or means to be taken in order to create and increase a market there for the manufactured products of France. For it may be said that this is a colony's *raison d'être;* in other words, the purely administrative government of a colony is a relatively easy matter to deal with, when compared with the development of its commerce. Those appointed to guide the destinies of our foreign possessions should spare neither effort nor application in widening the outlet therein for the fruits of our home labor and industry. . . . I have asked the French government for a loan of two hundred million francs in order to further im-

prove the condition of its eastern colony. Some consider this too much, but it must not be imagined that the two hundred million francs will be taken away from France, nor that the loan will be like so much money withdrawn from circulation, for more than two-thirds will be expended in nourishing French industries. Your founderies will send us iron for bridges and buildings; your rolling mills, rails; your forests, sleepers; your car shops, rolling stock; your quarries, slate; your hills, cement. All these will be carried to the Orient by French ships, giving employment to French people. Our colonies in Tongking in particular have cost us a great deal. We have already spent there one thousand million francs and lost many human lives. The time has now come to reap the harvest of our expenditure and the fruit of our labors."[1]

The loan asked for by the governor was granted by the French government, the proceeds to be used exclusively in the construction of railways; and, as has been said before, the first issue of stock was bid for thirty-six times over in one day. According to the terms of Article 4 of the Law of December 25, 1898, creating the loan, any material necessary for the construction of the above mentioned railroads which is not obtainable in Indo-China must be purchased of French dealers and must be carried in vessels flying the French flag. According to the new Indo-Chinese tariff, export duties are collected on all merchandise leaving the colony, except that going to France.

In 1897, the French government obtained from the Tsungli Yamên the promise not to alienate any portion of Hainan Island to any other foreign

[1] Translation given in the *Consular Reports*, 1899.

power. In 1898, this promise was extended to the three boundary provinces of Quangtung, Quangsi, and Yunnan. No industrial concessions were connected with this agreement, but certain industrial preferences had already been given to the French government in the two preceding years.

The official agreement for the Lungchow-Nanning railroad was signed at Peking on September 15, 1899. The Chinese government is to provide 3,000,000 taels of the capital required, but only French engineers and materials are to be employed in the construction of the line. The Russo-Chinese Bank furnishes the necessary funds. On his return to Indo-China, Governor Dumer went in person to Yunnanfou, where he tried to prevail upon the Chinese governor to grant some important territorial concessions in connection with the terminus of the French railway line. On this occasion the French flag was unfurled in the centre of the town. Anti-French feeling is reported to be so strong in Yunnan that the viceroy felt himself called upon to warn the people not to molest the engineers on their surveying expeditions. Persons interested in the development of Yunnan, both French and British, maintain that the resources of that province are far beyond what has ordinarily been believed on the basis of former reports.

While the inroads upon Chinese sovereignty which have been described in the above paragraphs were being made, the British government

appeared to be so singularly supine and so indifferent or ignorant regarding the importance of Chinese affairs, that for a time it seemed as if British influence at Peking would be entirely superseded by that of Russia, France, and Germany. It cannot be denied that during this time British prestige received a decided set-back, from which British interests in China still suffer, and which, unless repaired within a very short time, must necessarily leave permanent marks on the history of the Celestial Empire. The British government was at that time concentrating all its efforts on the task of reconquering the Soudan and rendering futile French and Russian intrigues in Abyssinia and Bahr-el-Ghazal. In February, 1898, however, Great Britain shook off her previous indifference and obtained the well-known agreement on the part of the Chinese government never to alienate any territories in the province adjoining the Yangtse to any other power, under lease, mortgage, or any other designation. No exclusive privileges were claimed in connection with this agreement, and the British government has so far adhered to its policy of making its influence the ægis of equal industrial and commercial opportunities for all nations.

On July 1, 1898, a convention was signed at Peking, by which the Chinese government leased to England Wei-hai-wei and the adjacent waters for so long a period as Port Arthur shall remain in the possession of Russia. The grant comprises

a belt of land ten miles wide along the entire coast line of the bay of Wei-hai-wei. Chinese administration is still to go on except where it would be inconsistent with naval and military requirements.

In the same year the British government also obtained the lease of an additional slice of Kowlun, while at the same time the Shanghai foreign settlement was extended, chiefly through the influence of Great Britain. The Chinese government has also been prevailed upon to give verbal assurances that the provinces of Yunnan and Quangtung should not be alienated to any other power. With regard to these two provinces, therefore, the same promise has now been given to both France and Great Britain. But as the Chinese government lacks both power and inclination to stand by its promises and keep them to the fullest extent, they are really to be regarded rather as manifestoes declaring the intention of the power in whose favor they are made. Thus, in the promise given to France, the latter really declares its wish to exclude the interference of other governments in the boundary provinces, and a similar purpose lies at the basis of the Anglo-Chinese convention.

Many writers interpret these conventions as implying the definite seizure and occupation of certain portions of the Chinese Empire by foreign powers; but such an interpretation is entirely unjustified and misleading. On the contrary, it must be emphasized that they do not necessarily involve any immediate or future political control, but, leav-

ing the sovereignty of China otherwise undisturbed, simply demand from her that non-interference shall be insisted upon, and that no exclusive advantages shall be granted to other foreign powers. Should the partition of China become an actuality, however, the spheres thus delimited will be insisted upon by the powers respectively interested as a basis for partition. But as Quangtung, Szechuen, and Yunnan are regarded as special spheres of interest by both Great Britain and France, far-reaching international complications are to be apprehended in case of the dissolution of China. Discussion of these possible complications is for the present deferred.

The Yangtse region being commonly regarded as the sphere of interest of Great Britain, it becomes important to note the official expressions of the British government with regard to this basin. The region was defined by Mr. Brodrick, Under-Secretary of State, as consisting of the provinces bordering on the Yangtse, together with Chekiang and Honan. In the Anglo-German agreement of September, 1898, it is defined as consisting of those districts through which streams flow into the Yangtse. The British sphere of interest is ordinarily interpreted as also including the eastern two-thirds of Quangtung, which contains the city of Canton, and in which English commercial interests are far in the ascendant. This interpretation confines French interests to the western part of that province, which is tributary to the harbor of Pakhoi.

The policy of the British government with regard to the Yangtse region was outlined in the speech by the Right Honorable Mr. Brodrick, in Parliament, on June 9, 1899, to which reference has already been made. He said in substance: —

"We hold the Chinese government to their undertaking not to alienate any province in the Yangtse basin and to permit the extension of the Burma railroad into Yunnan to connect us with Chingkiang. We regard the improvement of the Yangtse gorges as a question for British engineers. We shall keep what force is necessary between Ichang and the mouth of the Yangtse. These measures are purely precautionary, and are taken with the object of giving security to our merchants and traders."

Speaking of the open door and of spheres of interest, he continued: —

"I deny that we have abandoned the one policy or adopted the other. We are endeavoring to secure that a full share of railway and mining concessions shall fall to British investors. We shall endeavor to provide that trade shall be free from undue taxation. We are looking forward to the opening of inland waters besides the Yangtse and ports that are not now treaty ports to trade."[1]

Turning now to a consideration of Italy in her relations to China, we note that at the beginning of 1899 she was engaged in an effort to secure a footing in China, having selected as her field of exploitation the province of Chekiang. Although supported by British influence, she did not meet with a favorable response at Peking. For this

[1] Cited in "The Problem of China," *Edinburgh Review*, July, 1899.

reason, and also on account of the popular opposition which the Italians manifested toward the further acquisition of territory or to an expansionist policy, the Italian foreign minister declared, in June, 1899, that the wisest course for Italy to pursue was to avoid territorial expansion and to utilize the commercial opportunities in China. The present policy of Italy in China, therefore, is purely industrial and commercial. Trained consuls are to be sent to various parts of the empire, and a commercial attaché is to be added to the legation at Peking. The government expects to give steady support to private undertakings, and demands for mining concessions are vigorously pressed at the Chinese capital.

The last country whose relations with China we have to consider is Japan, which obtained the island of Formosa as a part of the war indemnity in 1896, and exacted a promise of non-alienation with regard to the province of Fokien, opposite Formosa. There has been no further interference on the part of this power, although Japan is in close sympathy with the reform party and the nativistic tendencies in the Chinese Empire. In Corea, Russian ascendency has been temporarily supplanted by the Japanese, on account of the overbearing harshness and financial incompetence of the Russian representatives. The Japanese in Corea encourage every attempt at reform, while the Russians oppose it. Large numbers of Japanese citizens are emigrating and settling there,

the free port of Mokpo alone having received a Japanese population of twelve hundred since 1897. Corea has been kept open for exploitation, and American and German gold mine concessions are worked with vigor, while the French are inactive, having drawn but little profit from their Russian alliance in this section of the Orient. The Japanese systematically and tenaciously counteract every Russian attempt to gain territorial concessions or a political foothold of any kind in Corea. It would seem that ultimately an armed conflict between Russia and Japan over the control of Corea will be unavoidable.

It remains for us now to review briefly the international arrangements recently concluded with regard to China. We must first, in this connection, call attention to the importance of "the most favored nation" clauses in the various treaties formerly concluded between China and foreign powers. The upholding of this clause is a necessary condition of the policy of the open door; but it has been shown repeatedly, during the last few years, that wherever a power is strong enough and persistent enough in its demands, exclusive mining and railway privileges, even when they infringe these clauses in letter and in spirit, will be granted. Never has it been more true that treaties are simply a statement of existing facts. Treaties concluded with China, and treaties framed with regard to China, are simply an index to the present position and power of the various govern-

ments who are parties to the respective agreements. Wherever an opportunity or a plausible pretext to disregard the treaties offers itself, or wherever a power feels that the rival nations are so occupied with other matters as not to be able to insist upon the enforcement of their treaty rights, the promises and arrangements contained in treaties will have very little restraining influence on political action.

During the past six months a diplomatic correspondence has been going on between the ministers of foreign affairs of the great powers who are interested in Chinese affairs and the American Department of State. The United States ambassadors had been instructed by Secretary Hay to endeavor to obtain from each of the various powers claiming "spheres of interest" in China a declaration substantially to the following effect:—

(1) That it will in no wise interfere with any treaty port or any vested interest within any so-called "sphere of interest" or leased territory it may have in China.

(2) That the Chinese treaty tariff of the time being shall apply to all merchandise landed or shipped to all such ports as are within such "spheres of interest" (unless they be "free ports"), no matter to what nationality it may belong, and that duties so leviable shall be collected by the Chinese government.

(3) That it will levy no higher harbor dues on vessels of another nationality frequenting any port

in such "sphere" than shall be levied on vessels of its own nationality and no higher railroad charges over lines built, controlled, or operated within its "sphere" on merchandise belonging to citizens or subjects of other nationalities transported through such "sphere" than shall be levied on similar merchandise belonging to its own nationals transported over equal distances.[1]

By March 20, 1900, favorable replies had been received from the leading European powers, — France, Germany, Great Britian, Italy, Russia, — and from Japan. At that date Secretary Hay instructed the American ambassadors to these powers, and the minister at Tokyo, to notify the powers to which they were respectively accredited that all the governments concerned had accepted the proposal of the United States and that therefore the consent of each would be considered final and definite.

The portion of the reply of Count Mouravieff which relates to the imposition of customs duties in the Russian "sphere," reads as follows: —

"In so far as the territory leased by China to Russia is concerned, the imperial government has already demonstrated its firm intention to follow the policy of "the open door" by creating Dalny (Talien-wan) a free port; and if at some future time that port, although remaining free itself, should be separated by a customs limit from other portions of the territory in question, the customs duties would be levied, in the zone subject to the tariff, upon all foreign merchandise without distinction as to nationality."

[1] *Open-Door Policy in China.* House of Representatives Document No. 547, Fifty-sixth Congress.

It will be noted that this answer reserves to Russia the right to levy customs duties on foreign imports into her Chinese "leasehold," and simply promises not to make any distinction between foreign nations. Furthermore the Russian reply passes over clause 3 of Secretary Hay's proposal in silence; *i.e.*, it makes no promises with regard to railway charges and harbor dues.

It may seem that this diplomatic reserve on the part of the power from which infractions of the "open-door" policy have been especially feared, renders the mutual assurances given of somewhat problematical value. The informal character of this correspondence would also prevent it from ranking as the foundation of mutual treaty rights among the powers interested. Nevertheless it is important in contemporary history, as recognizing the régime of spheres of interest as an established fact, and as containing the first clear declarations on the part of the great European powers in favor of upholding the policy of equal opportunity in China. To have obtained an expression of international opinion on this point was a valuable achievement on the part of the American Department of State.

Among recent international agreements concerning China, three claim our special attention. In the first place should be mentioned the Anglo-French Siam Convention of 1896, respecting the exploitation of Szechuen and Yunnan, by which the two nations pledge each other to enjoy in common all the privileges and advantages of any

nature conceded to either nation within these or other provinces. The agreement can be looked upon only as a temporary *modus vivendi*. In fact, the concessions which France is now insisting upon virtually constitute an abrogation of the agreement. Of course they may be toned down so as to come within the compass of the proper share of that nation in the development of these provinces on an equal footing with other powers, and against such concessions no objections could be made.

A second agreement of special importance is that concluded between German and British financiers in September, 1898, by which the latter agree to recognize and respect the primary right of Germany to obtain railway concessions in Shantung, and in the valley of the Yellow River, while, reciprocally, the German capitalists recognize a similar preëmption on the part of Great Britain in the Yangtse region. This agreement, entered into with the sanction of the two governments, may have important international consequences, as it favors a more complete understanding between the two nations, and a strengthening of the common purpose to prevent further encroachments by Russia upon the centre of the Chinese Empire.

The third important agreement is that concluded between Russia and England in April, 1899. The substance of this informal treaty is that Great Britain will not seek on her own account,

or in behalf of her own subjects, any railway concessions to the north of the Great Wall of China; and that she will not obstruct any application for such concessions in that region which are supported by the Russian government. Russia, in return, enters into a similar engagement with regard to railway concessions in the basin of the Yangtse. The following paragraph is particularly significant: —

"The two contracting parties, having in no wise in view to infringe in any way the sovereign rights of China or the existing treaties, will not fail to communicate to the Chinese government the present arrangement, which by averting all cause of complications between them, is of a nature to consolidate peace in the far East and to serve the primordial interests of China herself."

The agreement also includes the arrangement with regard to the Shan-hai-kwan-Newchwang line, which has already been discussed.

Although the last two agreements, — the Anglo-German and the Anglo-Russian, — refer entirely to railway exploitation, and are therefore only indirectly of political significance, they nevertheless serve to mark a spirit of mutual forbearance and an intention to carry on the work of opening and developing China along equitable lines, each nation being granted an adequate sphere in which she can centralize her interests and from which she can join in an effective coöperation in the international purpose.

The relations between Great Britain and Japan

are on the whole friendly and favorable to active coöperation in the affairs of the far Orient. True, England is thought by many Japanese to have entered into the scramble for territorial concessions in China. Thus, the *Djimmin*, the chief liberal journal of Tokyo, says: —

"We must finish once for all with the idea of an Anglo-Japanese alliance whose mission it would be to save China. An alliance is possible only between nations that understand each other perfectly and that have a common enemy. Now, who is the probable enemy of Japan? We see several. . . . England having forgotten her former solemn promises, we cannot preserve the integrity of the Chinese Empire alone. The fate of the Celestial Empire is decided."[1]

On the other hand, the most influential statesmen of Japan, Counts Ito and Okuma, and Viscount Aoki, still favor coöperation with Great Britain.

Prince Chung, of China, has been agitating at Peking in favor of a Chino-Japanese alliance. He has even, on his own responsibility, sent a legation to Japan to investigate the state of opinion at Tokyo regarding such an alliance. It is not believed, however, that any alliance can at present be concluded, because Japan does not wish to commit herself to support the Manchu government, while the latter fears the sympathy of Japan with the reform and native Chinese element.[2]

[1] Cited in the *Revue Politique et Parlementaire*, Vol. XXI., p. 645.

[2] It is also reported that the Japanese were scandalized and offended by the personal and social insignificance of the special envoys sent by the Chinese government to negotiate a treaty.

CHAPTER IV

Summary of the Actual Condition of Affairs in China

Having now reviewed the details of the opening up of China as it is going on at the present time, we are in a position to draw some general conclusions based on the previous discussion. The general situation is characteristically outlined in some remarks by the Japanese Count Okuma. He says in substance: —

"If the powers take so much pains in making a new map of China, it is a result of their ignorance of the true state of that unhappy land and its people. We may best compare the Chinese nation to a gigantic tree with mighty roots and strong branches. The tree itself has great vigor, but its fruit falls from time to time at the merest breath of wind. Such is the Manchu dynasty. That it has no longer any authority or power does not justify the conclusion that the Chinese nation is also menaced in its existence. The great powers may yet repent of their error. If the four hundred million Chinese, appealed to by a superior spirit in their common sentiments and beliefs, should rise, what would become of the few thousand foreigners?"[1]

[1] Cited in the *Revue Politique et Parlementaire*, Vol. XXI., p. 646.

It is certainly a great political mistake to judge of the weakness or strength of the Chinese Empire from the condition of its central government. Chinese civilization is still a clan civilization, never having passed through feudalism into a well-moulded state. Even the weakness which Okuma attributes to the Manchu dynasty might be denied by many. Chang Chi Tung, the great viceroy, speaks of the present dynasty in terms of the highest praise, and contrasts the peace and prosperity of the empire during the centuries of Manchu reign with the rebellions, revolutions, and assassinations that have filled the annals of Western history during the same period.

The actual status of affairs may be briefly summed up in a few sentences. The Europeans, protected by their fleets, are in political control of a few coast settlements. Russia has obtained important political powers in Manchuria, although even there she meets with frequent and strenuous resistance on the part of the masses and has to employ an army to protect her railway. Germany refuses to interfere in the internal affairs of China, and, in line with this policy, has recently declined to protect Chinese converts to Christianity, who are always a special mark for persecution on the part of their fellow-citizens. German political protection is restricted to her own citizens and industries. British gunboats now patrol the Yangtse and West rivers, but it is only to prevent piracy and to protect European trade, a duty laid upon

them by the fact that the torpedo boats which the Chinese government detailed for duty along these rivers promptly engaged in turning an honest penny by towing, while the pirates plied their trade with undisturbed effrontery! The question, outside of those territories which have actually been leased, is up to the present moment one of security, — of protecting the incipient industrial and commercial interests and communications. No power, except perhaps Russia, seems to be contemplating any actual assumption, at least in the immediate future, of sovereignty over large tracts of land.

The policy of "spheres of influence" is not necessarily opposed to the policy of the "open door." At present, if we may interpret the declarations of the great powers by their course of action, the term "sphere of influence" in its most extended meaning refers to a region where a power holds itself specially responsible for security of life and investment, and uses its political influence for the furthering of economic development. As long as freedom of opportunity is preserved within these spheres, as long as treaty ports are kept open and their number is gradually increased, the policy designated by the term "open door" is practically in force, even although the policing of the empire may have been divided up among the powers. The fact that a nation is interested in certain portions of China to the extent of desiring to exclude other powers from far-reaching con-

cessions within such territories does not of itself argue that it contemplates the assumption of political sovereignty therein.

To arrive at a conception of the difficulties which would meet any proposal looking toward the immediate assumption of complete political sovereignty over extended districts in China, we need only consider the actual internal conditions of the empire. The success of the industrial developments thus far undertaken is a question yet to be answered. It is not even known how the populations of the interior will bear continued exploitation by European capitalists. We do know that Russia and Germany have had serious trouble in the construction of their railways, and while the surveyors of the Canton railway did not meet with the anticipated resistance, riots in other parts of the empire — as in Szechuen, arising from opposition to the introduction of mining machinery and other improvements — have been frequent and violent.

In the great industrial revolution that is impending in China, the inevitable sufferings will readily be attributed to foreign influence and foreign interference. If we compare the probable situation in China during the coming days with that of England at the beginning of the present century, we can imagine what serious disturbances may arise. It may be said by some that the development of China will take the form of the introduction of new industries, which will give

employment to great numbers of Chinese. But, at the same time, the old industries now existing in the empire, — house industries, carried on by families in their homes, — will be replaced, as they have been in India, by the modern factory system, so that the revolution may be even more intense than it was in the cotton manufacturing districts of England, and will certainly be more formidable on account of the vastly greater multitudes affected.

At present, for instance, the construction of railways is giving employment to large numbers; but, once completed, they will drive out of service the private carriers who are now a very numerous class of the laboring population. Many of these carriers do not even have any beasts of burden, but furnish, none the less, a very rapid delivery service at remarkably low compensation. As the railway net spreads and covers the land, their services will of course become unnecessary, and they will have to seek employment in other branches of industry. So, too, in all branches of native manufacture, the introduction of European machinery will at first produce intense suffering to individuals, by concentrating the industries and undoing hosts of trained workmen.

All this must be taken into account in framing any policy of opening the resources of China to European exploitation. Inevitably the disastrous consequences which reform always brings in its train to those individuals whose accustomed economic function is destroyed, will be attributed to the

"foreign devils," and the prejudiced multitude, wrought upon by the evident discomfort of large classes of laborers, may go to the length of inflicting the greatest damage on foreign industrial property, and may perhaps even make industrial operations impossible. Though this view presents only a possibility, it is a possibility that must be taken into account as an unavoidable risk to be assumed by foreign investors, and as an element in the political situation that may lead to serious complications if European powers are ever called upon to protect the property of their subjects in China.[1]

There are still large sections of Chinese territory in which the government has so far been unable to suppress brigandage and piracy. The brigands of Quangtung are especially efficient and energetic.[2] They often defeat detachments of the regular army and take whole towns, above which they float their feudal banners. The methods of the pirates are characteristically practical and efficacious. A band of pirates will buy regular passage on a river steamer, and, when they come to a convenient place, overawe the officials of the ship and the passengers, pocket whatever valuables are to be found, and have themselves landed, to be received on shore by their associates and hurried away into

[1] The great secret societies of China, *e.g.* the Boxers, are already showing signs of a readiness to antagonize foreigners on account of their interference with Chinese customs and industries.

[2] Of late they have even been bold enough to extort money from the merchants of Canton by threats of dynamiting their *hongs*.

the mountain regions. As pirates are conventionally supposed to sail in a ship of their own, it is perhaps doubtful whether these river robbers should be dignified with that more romantic designation. But, whether they are pirates or robbers, the Chinese government is apparently powerless to suppress them, and there is in this another dangerous obstruction to the peaceful development of industry and the avoidance of foreign interference.

The condition of the private law and its administration is also of such a nature that reform is imperatively demanded before foreign capital can be safely invested and business arrangements regularly concluded. There is practically no police. The Yamên runners, unpaid hangers-on of the mandarin judges, supply the place of a regular police in the most unsatisfactory manner. As they are not regular officials, they have absolutely no sense of duty toward the state, and will use every opportunity to extort unlawful payments from the unfortunate individuals who fall into their hands. So inefficient is the administration of the law that it has become a practical tenet of Chinese wisdom that courts must at all risk be avoided, and from the classics down, the writers unite in bewailing the fate of the man who becomes involved in a lawsuit. There is practically no civil law and no commercial code. Courts act on the principle of arbitration, and whatever security commercial dealings now have, rests on the unimpeachable honesty manifested by the Chinese merchants.

The reform of the law and the adoption of a commercial code to be used by Chinese and foreigners alike, have long been a desideratum of Chinese commerce and industry. As far back as 1876, the English government, through Sir Rutherford Alcock, made a demand upon the Tsungli Yamên to have such a code prepared and enforced. But it seems hardly probable that a sweeping reform of local administration can be expected of the central government at the present time. Reform will have to be begun in some of the more populous industrial provinces, where a strong public opinion in favor of an impartial and regular administration of justice already exists. A remarkable illustration of the desire of the Chinese merchants for settled legal conditions is found in the manner in which they crowd into those territories which are held by foreign nations, such as Hongkong and the international settlement at Shanghai. Here they may enjoy the advantages of impartial courts and consistent rules of law which they so highly appreciate. The Chinese government apparently foresees trouble in this matter. It has, therefore, indicated its refusal to implicate itself in private controversies between foreigners and Chinese.[1] It is very doubtful, however, whether foreign governments will take the same view of the case. They will certainly insist upon fair play and an equitable administration of

[1] See "Regulations for Mines and Railways in China," Note 2, at the end of this chapter.

justice in all those cases in which their own citizens are concerned.

From all this it may be judged how easily Chinese affairs may become complicated by foreign intervention. It is to be hoped that the development of China will be managed with such tact and careful consideration of the feelings of the Chinese population as to avoid a serious collision between foreigners and natives, or the growth of animosities and prejudices which may arrest for decades the work of reform and progress. With this careful guarding of the friendly relations between Europeans and Chinese, there must, however, go a firm and constant pressure for administrative and legal reform; for, unless the insecurities which are bound to result from the defects above outlined are obviated, the relations between the Chinese and the foreign investors and industrial leaders will always be in danger of far-reaching disturbance.

Up to the present time, Great Britain, counting on the willingness of the Peking mandarins to reform the empire if given the active assistance of a strong foreign power, has attempted to effect these reforms by strengthening the central power. Now, however, the difficulties of this policy, — which, moreover, has borne little fruit in the past, — have become almost insurmountable. On account of the international jealousies centring at Peking, the exercise of influence by any power, no matter how humanitarian and unselfish its

motive may be, would to-day arouse the ever ready jealousies of other nations, if it desired to interfere in Chinese affairs through the central government. Moreover, the decentralization of the Chinese administration is such that it could be moulded into a unified organism only by a great revolution or by the work of an overpowering genius. The Tsungli Yamên is very generous in promises; but, unless there is at hand a power ready to enforce these promises against other foreign nations, they have absolutely no value, since it is a settled principle of Chinese action to put a man off with promises in order to make him feel satisfied. Both the power and the inclination for any really far-reaching reform, therefore, are lacking in the imperial council.

It is different with many of the local governments. Here the officials come more directly in contact with the people and with the practical business of administering the law. While, as a class, they receive very inadequate salaries, and are consequently given to the universal Chinese official practice of extorting from ten to twenty times their legal emolument, they have among their number many men of strong character and practical experience. It is through these men and through the administrations of which they are the heads that enduring reforms must be attempted.

The methods of controlling the Chinese administration from the capital are very lax, and therefore any power that can gain the support of the

local authorities will be able to effect important reforms. Of late, it is true, the imperial government has dismissed several local administrators from office on account of their connection with foreigners. Thus, the governor of Shanse was discharged because he had been instrumental in granting the concessions of the Peking syndicate and of the Russian Chengting-Taiyuan railway in his province. It may be, however, that by such action the central government simply desired to indicate that the exceptional privileges there granted were not to be set up as precedents for future action. Again, the Tsungli Yamên, on the ground that the mining regulations of the government had not been complied with, recently refused to ratify certain mining concessions which had been granted to the French by the viceroy of Szechuen. While in matters of important concessions of this kind the central government may interfere, the conduct of ordinary administration, military and civil, is in the hands of the local officials, and it is through them that the beginnings of actual reform must be made. These officials could be interested in reform by raising their salaries so that they may be above the need of extortion, and by bringing to bear upon them the strong public sentiment of the Chinese merchants in favor of reform in the administration of commercial law. There need be absolutely no interference with the prejudices and feelings of the masses. Through the viceroys and governors the admin-

istration of finance and law and the regulation of the armies may be so reformed as to vitalize state life in large regions of the Chinese Empire. The important change which such a system would effect in the collection of taxes would tend to satisfy the central government, whose function it would be to represent the ideal unity of the Chinese Empire and to act as the formal bearer of the sovereignty which no European power is ready to assume or should venture to claim.

The question of holding China by force and adding large portions of Chinese territory to the national domains of European powers must appear fantastic, when we consider Chinese conditions. The secret societies alone, which are the most active and effective social organizations in the empire, could easily prevent the actual seizure of sovereignty by European powers. A very different condition from that in India would here confront the invader. The Chinese are an active, energetic race. For ages there has been with them a survival of the hardiest. Trained from youth to subsist on the most meagre diet, to get along with little sleep, and to work patiently for twelve or fourteen hours a day, these men scoff at difficulties and exertions which would within a year weary a European to death. There is no overstrained sensibility. Human life is held so cheap that people often commit suicide simply to cause inconvenience to others. With an intense veneration for the past and an unusual reverence for

their ancestors, these people naturally combine a tenacious conservatism in matters of every-day life and intercourse.

Should the idea spread that foreigners are about to effect a radical change in the social and industrial constitution of their empire, a violent and frantic resistance would be offered. When we consider that most of the four hundred million inhabitants would readily be drawn into the existing secret societies for the purpose of defending their hearths and their civilization, the futility of any effort of Europeans to govern against their will an intelligent and stubborn race like this at once becomes apparent.

The only way in which the Europeans can make their influence count permanently in China is by a tactful lightening of burdens from above and by the introduction of more settled methods of administration and law, without at all interfering with the local habits and prejudices of the masses. As long as European troops shall be employed only for the upholding of law and order, for the persecution of brigands and rebels, the Chinese masses will not oppose them. The multitudes in China are peace-loving and orderly, and European powers may therefore, without danger to themselves, assist in rendering secure the highways of Chinese trade. For this purpose it is of the greatest importance to have troops on the ground, since a nation that claims any influence in Chinese affairs must primarily be able to protect European

investments within its sphere of influence. Should England, for instance, not be able to protect the property of Europeans at Hankow, a plausible pretext would at once be furnished for Russian or Japanese interference. While, therefore, all unnecessary collision with the details of Chinese life must be avoided, a beneficent influence may be exercised from above, and order may be maintained at least along the principal highways by which European commerce enters the empire. Chinese unity can be preserved only through the active coöperation of the great commercial powers in keeping open her markets and in maintaining security for European investments throughout the empire, without, however, permitting any power to acquire other political rights than are necessary for this purpose.

II

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Note 2. Regulations for Mines and Railways in China

Prepared by the Bureau of Control for Mines and Railways, and approved by the Emperor.

(1) There are three ways in which railways and mines can be managed, — by officials, by merchants, and by the two in combination. The second is the best and will be encouraged and promoted by the Government as much as possible in the future. The officials should do all in their power to encourage such enterprises, but will not be allowed to conduct them themselves.

(2) All such enterprises for which contracts have not been completed before the establishment of the Government board must be sent up to the Throne for sanction, but from the date of the establishment of the said board they will be subject to the regulations of the board. Enterprises which have been previously arranged will not be allowed to form precedents.

(3) The mines and railways of Manchuria, Shantung, and Lungchow are affected by international relations and therefore will not be allowed to form precedents either for Chinese or foreigners.

(4) Railways and mines are entirely separate affairs, and therefore must not be worked in combination. Railway agreements giving mining rights along the route will not be allowed to form precedents in future. In cases where permission is given to mining companies to construct branch railways to connect with waterways and for the purpose of carrying the produce of the mines, such lines must only be carried as far as the nearest water communication. Such railways must not carry passengers or cargo so as to interfere with the

profits of other lines. Plans of such proposed railways must be submitted to the Government for approval.

(5) All mining and railway companies must provide a school of instruction, as already ordered by the Throne.

(6) When applications are made by Chinese gentry or merchants to the local officials for permission to engage in mining or railway enterprises, the said officials must inquire into the character and standing of the applicants, and if the latter are found to be reliable people and their applications are not in opposition to the regulations, they may be submitted to the Government board. The local officials have no power to grant such applications. If such applications are made to the board direct, inquiries must be made through the officials of the applicants' district, and only such applications will be granted in which the report of the local authorities is of a favorable nature.

(7) When it is necessary to acquire land for mining and railway purposes, the people must be notified by the local authorities, and the former must not show wanton opposition. When land is so acquired, houses and graves must be respected so as not to offend the feelings of the people.

(8) All enterprises sanctioned by the board must be commenced within six months of the date of sanction; otherwise, the sanction will be withdrawn, unless it can be shown that the delay was unavoidable.

(9) In all cases, every endeavor must be made to have the Chinese proportion of the capital of such enterprise the greater. There must be a proportion of at least three-tenths of the shares owned by Chinese. When this proportion has been raised, foreigners may be invited to buy shares or foreign money may be borrowed. Sanction will not be given in cases where all the money employed is foreign.

(10) When it is proposed to borrow foreign money, the sanction of the board must first be asked. If such sanction is given, the loan must be regarded as being made by merchants and to be repaid by merchants — that is to say, the Chinese Government will accept no responsibility. If loans

are concluded without the sanction of the board, they will not be recognized, even though an agreement has been signed.

(11) In case of foreign loans, the preliminary agreements must be submitted to the board for their approval. If such agreements are contrary to these regulations, they will be sent back for amendment. In case they are not amended properly, negotiations may be entered into with other parties. Should foreign merchants enter into private contracts for loans and thereby suffer loss, the Tsungli Yamên and the board will not help them to recover their money.

(12) When Chinese companies are authorized to borrow foreign money, the board will advise the Tsungli Yamên, which will communicate with the minister of the power concerned, who will reply, and their permission will then be considered to be given. When foreign merchants are desirous of lending money to Chinese companies, they must request their minister to communicate with the Tsungli Yamên, who will ask the board if the company is authorized to borrow, and will reply accordingly to the minister. Money lent in any other way will be treated as a private loan.

(13) In order to protect the sovereign rights of China, the control of all railways and mining companies, irrespective of the foreign capital concerned, must remain in the hands of the Chinese merchants; but the accounts of such companies must be open to the inspection of foreign shareholders.

(14) Promoters professing to have a certain amount of capital must show satisfactory proof of their assertion.

(15) The local authorities must in all cases encourage and protect mining and railway companies, in carrying out their duly authorized enterprises.

(16) In case of disputes between companies or any interference with the rights of any company, the local authorities must decide the question fairly. Appeal may be made against their decision to the Government board. Should disputes arise between Chinese and foreign merchants, in connection with railway or mining enterprises, they must be settled by arbitration; the governments concerned will not interfere.

(17) Foreign engineers and surveyors sent to inspect mines and railways must be protected by the local authorities.

(18) Rewards will be given to Chinese merchants investing 500,000 taels and upwards in mining or railway enterprises, or doing extra good work in connection therewith.

(19) All such enterprises will be granted a monopoly for a fixed period, the duration of which will be determined by the circumstances of the case.

(20) Customs stations will be established on all railways for the levying of duties. The duties on mining produce and on the export of the same will be decided by the Government board in conjunction with the board of revenue, which will draw up regulations for submission to the Throne. The proportion of profits to be paid to the Government for railways will be four-tenths, and for mines 25 per cent, to be handed to the board of revenue.

(21) The affairs and accounts of each company will be examined from time to time by the Government board, either by having the books sent to the offices of the board or by deputing an officer to examine on the spot.

(22) A detailed account of the affairs of the railway and mining companies at present in existence must be sent to the board for consideration. The board will also prepare forms for setting forth such details. These will be sent to all the provinces, and must be filled up at the end of each year by such companies, and sent to the board for inspection.

— Translation given in the *Consular Reports*, April, 1899.

PART III

THE CONSEQUENCES OF THE OPENING OF CHINA IN WORLD POLITICS

CHAPTER I

Russian Imperial Politics

Even to the modern mind, accustomed to gigantic and swift changes, the possibilities revealed by the opening of China since the Treaty of Shimonoseki have been startling. The world seems to be shrivelling up. Regions that were akin to fable-land become a scene of prosaic exploitation. Railways take the place of picturesque caravans, and forests of chimneys rise in places that were once enchanting Meccas for the venturesome traveller. The Oriental and the Occidental civilizations have met face to face, and the future constitution and ideals of society are in the balance. The general effects of the meeting are more obvious than definable. We can, however, mark certain definite influences in the present political situation that are distinctly traceable to the developments in China.

Let us first consider the effect of this development on the individual countries of Europe, beginning with the Empire of the North. There have

been three stages of Russian expansion, which may be focussed respectively on Constantinople, Afghanistan, and China. The first natural impulse of a strong nation confined within the interior is to reach an unobstructed port. In the case of Russia, this desire led to a southward expansion and an attempt to embrace the Balkan states within its boundaries and thus get unimpeded across to the Mediterranean. This movement also has a religious and idealistic aspect, since Russia, as the chief political representative of the Greek Church, feels that there exists a historic connection between the Byzantine Empire and the Czardom; as a consequence, the restoration of Constantinople as the metropolis of the Orthodox Church and as the capital of a great empire has always appealed to the Russian imagination.

It was in this movement to the southward that Russian and English interests first clashed. When national animosities had thus arisen, and Russia still continued her forward movement across the Ural into Central Asia, her plans were interpreted as being directed against English sovereignty in India. Turkestan, a country of limited resources, affords comparatively little attraction to a conqueror, and its occupation was therefore supposed by the British to have an ulterior aim, — that of gaining an approach to India across the mountains. Russian advance in Central Asia thus became the second great cause of hostility between England and Russia.

Aside from the ambitious plans of Peter the Great and the Empress Catherine, it cannot be said that the Russian government, up to the stage in the development marked by the Afghan question, consciously plotted for the establishment of a vast Asiatic-European empire. But, as has already been stated, the expansive energies of the Russian nation, combined with their methods of agriculture, which are rather extensive than intensive, naturally led to the absorption of more and more territory for the purposes of Russian agricultural colonization. Her expansion was more like a formless and unresting torrent of lava than like the scientific and carefully designed work of an engineer. When once their government had gained a foothold in Central Asia, Russian officials often expressed the hope of finally reaching the sea by way of Persia or even of conquering India. Afghanistan thus became the second centre of interest and intrigue, and large sums were expended by the great hostile powers, England and Russia, in strengthening their position at this critical point.

All former developments, however, have been overshadowed and put in the background by the vast importance of the more recent Russian occupation of Manchuria. It was Russia who first drew practical consequences from the demonstration of Chinese weakness. By a series of exceedingly shrewd moves, she undermined the English influence at Peking, and, gaining access into Manchuria,

extended her railway into that province, assumed virtual control over a large part of its territory, and thus at last realized her ambition of having ports permanently free from ice. Moreover, the commercial success of the Siberian railway, which up to that time had been exceedingly problematical, was brought much nearer to certainty, and a vast and inviting field for Russian colonization and the expansion of Russian industry was opened. The mineral and lumber wealth of Manchuria is practically untouched, and, considering the constantly increasing demands of the awakening industries in China, Russia's foothold and position as a neighboring nation, with the wealth and the methods of western Europe at her control, are bound to prove invaluable to her. Russian statesmen, recognizing the importance of the source of wealth and power thus opened to their government and nation, withdrew their attention from Constantinople and the Balkan to concentrate all their efforts on strengthening their position and utilizing their advantages in the newly acquired province.

Even to Russia, however, the absorption of a vast province like Manchuria is no small matter, but demands, on the contrary, an intense concentration of energy; and it therefore became a necessary part of Russian politics to obtain time for peaceful development. At present the position of Russia in Manchuria is still weak against the possible attack of foreign powers, as there can be

no effective connection between that province and European Russia until the completion of the Siberian railway. Russia therefore has, at present, nothing to gain and everything to lose by war in the Orient. Moreover, on account of her masterful management of Oriental diplomacy, she could obtain all that she desired if only peace could be maintained. To favor a policy of disarmament, as she has recently done, was therefore thoroughly consistent with the conditions in which Russia found herself. Her finances, too, had been strained to the utmost by the vast expenditures for strategical and industrial purposes in Siberia,[1] so that in the event of a war the great fabric so successfully constructed by her diplomacy might not have stood the test of fire.

Having become a naval power by her occupation of Port Arthur, Russia needed great accessions to her fleet in order to maintain her prestige effectively in this direction. During the seven years from 1893 to 1899, 461 million rubles were spent on the Russian navy; between 1896 and 1897 the

[1] In the ten years between 1887 and 1897, the total public debt of Russia had increased 27.5 per cent. On January 1, 1897, it amounted to 6,735,376,443 rubles. The debts owed to the state at that time amounted to 3,000,997,928 rubles. — *Annual Cyclopædia*, 1898, p. 685. The ruble is the unit of the Russian monetary system. The gold ruble, — a money of account, not a coin, — is equal to 51.5 cents. Up to 1897, the silver ruble varied in value with the price of silver; in January, 1897, it was quoted at 37.9 cents. At present subsidiary silver is maintained at a parity with gold, as in the United States.

expenditure was increased by 26 million rubles, and an extra expenditure of 90 million rubles, beyond the regular allowance, was provided for in the imperial budget of 1898, to be used for the construction of new ships.[1]

It has already been pointed out that the character of the Russian policy of expansion has changed. Whereas it formerly occurred only in response to the overpowering needs of the nation, this expansion has now become more conscious, and is at the present time being planned on a truly imperial scale. The development is largely due to the feeling that the available portions of the earth's surface are becoming few, and that, when a vast prize like China is at stake, nations cannot wait for the natural forces of trade and colonization to expand their political influence, but must anticipate the operation of these forces by reserving territories in which they may later assert themselves.

A further cause of the change noted is found in the fact that of late the military aristocracy of Russia has become especially ambitious and desirous of imperial expansion. This class, which wields the real political power in Russia, is bound together by common interests and sentiments so as to form a compact society with definite aims. Even the Czar is in most matters dependent on the opinion and will of this class, who control all the important branches of the ad-

[1] See *Statesman's Year Book*, 1899, p. 926.

ministration. Their ambitious and unscrupulous, but exceedingly able, statesmanship has made Russia a formidable factor in international diplomacy and has given a decided impetus to the policy of Asiatic expansion.

It is unfortunate that all these developments tend to emphasize the Asiatic character of the Russian Empire and to estrange it more and more from Western, and especially English, civilization. National animosity between England and Russia has become so intense that a mutual understanding of motives seems almost out of the question. Whatever England may do, even with the purpose of merely preventing exclusive exploitations, will be interpreted as an extension of imperial influence, while the efforts of the vast Russian Empire to gain new fields for its teeming population are equally sure to be regarded as hostile to all civilization.

It does not admit of doubt that autocracy in Russia has been strengthened by the recent developments. The Russian government has been so successful in acquiring new territories, in giving new outlets to popular energy, that the voices of nihilism and of liberalism have become smothered in the universal acclamations that rise from a vast people to the throne of the Czar. Never have the efforts of the Russian government to suppress manifestations of individual nationality, like those of Poland and Finland, been more successful: never has the power of this great empire been

welded into more compact form. Any thought of giving the state a constitution based on Western models has been definitely abandoned.

The attitude of Russian nationalism toward Western civilization may be seen, in a form perhaps somewhat extreme, in Pobedonostseff's recent book on religion and politics.[1] The writer, who is the chief spiritual adviser of the emperor and the administrative head of the Greek Orthodox Church, believes that Western civilization is suffering from fatal debilities and diseases. Basing his case on the growth of anarchism and infidelity and the increasing strength of the dissolvent forces which are attacking individualistic societies, he holds that social existence cannot successfully withstand the corroding influence of these tendencies, and affirms his belief that the torch of civilization has passed to Russia. The elements which in his eyes make Russia great and are bound to make her the saviour of the world are autocracy, religion, and the village community, the last named being, to his mind, the best antidote to socialistic agitation, since it contains within itself all that is reasonable and healthy in the socialistic propaganda. The religious reverence of the Russian masses is the great force that holds society together, while the autocratic power of the Czar provides the state with a means of quick and effective action. Unity, harmony, subordination, reverence, and simplicity are to him

[1] *Reflections of a Russian Statesman* (translated from the Russian), London, 1898.

the watchwords of Russian civilization. There comes from him no word about the dignity of human nature, the independence of the individual, the right of the individual to develop his aptitudes and powers, the hope that vast masses of humanity may be raised to a higher plane by general education and participation in government, for to him all these ideals of Western life appear to be merely poison administered in a seductive form. Though Pobedonostseff's work is extreme, the influence and position of its author make it a noteworthy expression of Russian nationalism.

Indeed, to any one who casually peruses political extracts from Russian papers, it must have become evident that Russian opinion has grown more narrowly nationalistic than it has ever been before. Up to a few decades ago, the Russian aristocracy was considered the most cosmopolitan in the world, and St. Petersburg was a second Paris. But with the growth of a native Russian literature there also began to develop among the upper classes a distinct feeling of separate nationality. The political and social party which advocated this tendency was in the sixties given the name Slavophiles.[1] On account of some extravagant tenets, and of its democratic sympathies, the sect was discredited. As a result of the recent developments, however, with the more conscious expansion of Russian influence, and with the discovery that Russian advance is irresistible, the whole society of that great

[1] See Wallace, *Russia*, p. 415.

empire has become practically Slavophile. In line with this change is a recent edict of the imperial government which has entirely remodelled the system of education and makes the spread of Russian ideas one of its main objects.

By this same edict, the education of the official classes is sharply separated from that of the common people, in this way emphasizing the caste system, which is rapidly taking a firm hold on Russian society. This is simply another of the ways in which the semi-Asiatic character of Russia is becoming still more Oriental. Conscious opposition to Western ideals, firm allegiance to the idea of autocracy, emphasis laid upon the distinctions of a caste system, employment, for political ends, of the methods and teachings of a theocracy — all these indicate that Oriental influences in Russia are becoming more and more predominant.

In other countries the chief strength of religion, — or of cult as a social system, — lies with the upper classes; in Russia, religion has always been essentially national, finding its chief stronghold among the masses of the agricultural population.[1] The Russian state has not yet emerged from the religious stage of development.[2] The Czar himself, though not technically an ecclesiastical officer, has, in the eyes of the people, a decidedly religious character. The ceremonial of coronation is of far greater importance than one accustomed to West-

[1] Leroy-Beaulieu, *The Empire of the Czars*, Vol. III., p. 41.

[2] In the sense in which this term is used by Comte and Seeley.

ern methods of state action would imagine. In reading Castelar's *Año '83*, one may at first be surprised at the importance which he attributes to the coronation ceremonies at the Kremlin. But Castelar was right. It is on the occasion of his coronation that the Czar appears in that almost superhuman character of the anointed representative of God, borne aloft in imperial splendor, and striking reverence into the hearts of the countless multitudes who gather from all parts of the empire to admire the greatness of their exalted master. Especially in Oriental politics will Russia profit much from the impressiveness of her imperial dignity. Tremendous, apparently irresistible, power, wielded by a single hand, especially when emphasized by more than regal splendor, impresses the Oriental mind; and the Kirghis and Tartar chieftains who gather about the Czar on the day of his elevation go home to their native tribes with astounding reports of his splendor and power.

The religious feeling of the masses in Russia has always been used as a motive power for political ends. When Russia makes war, it is nominally in defence of the Orthodox faith, and she thus enlists, not merely the narrower selfish interests of her vast population, but also their most fervid aspirations and the dearest ideals of their souls. A war against Turkey is a religious crusade to win back the ancient metropolis of the Orthodox Church. From the Russian point of view, a war against Great Britain would be a contest against heretics and

infidels. It is this influence that moulds the Russian nation into such a compact mass, wielded by a single will. The Russian state polity is simply absolutism, upborne and modified by superstition. That Russia has not left the religious stage of political development is also shown by the fact that she identifies complete unity of faith with her national existence, and subjects the Protestants of the Baltic provinces and Finland, and the Roman Catholics of Poland, to a constant political persecution, which is largely directed against their religious faith.

The conscious and systematic character of the Russian imperialistic policy of to-day is especially apparent in the vast plans, recently executed, for defending the southern border of the empire and securing its naval communications.[1] A revolution is being effected in southern Russia. The Don is to be united with the Volga, and it will thus be possible for ships to pass from the Baltic to the Black and Caspian seas. The sea of Azoff is united with the gulf of Perekop by a canal cut through the Crimean isthmus. On September 1, 1899, the port of Sebastopol was closed to navigation under the pretext of making it a marine station. Recently, however, the naval headquarters of southern Russia have been transferred to Nicolaiev on the river Bug, seventeen miles inland and beyond the city of Odessa. It is evident therefore, and gen-

[1] See an article on "Russia's Great Naval Enterprise," *Fortnightly Review*, August, 1899.

erally known at the present time, that Sebastopol is to be turned into a fortress for the defence of the territory of the Crimea. The arbitrary methods of the Russian government are here very well illustrated. Sebastopol was a port with flourishing and constantly expanding commerce and prosperous manufactures. By an order of government a stop is put to all these developments. The merchants have to migrate, the manufacturers have to desert their plants, fortunes are ruined, and the entire industrial development of that section of the country is arbitrarily changed. However, the gain to the defence of Russia can scarcely be exaggerated. Russian fleets can now, without coming out into the open on the Black Sea, pass from the northwestern part of that sea to the Caspian, — from Odessa and Kherson to Mikhaelovsk, the Caspian terminal of the central Asiatic railway, — while invasion by land is rendered difficult by the almost impregnable fortress of Sebastopol.

A similarly arbitrary manipulation of vast industrial interests will be effected by a law, — adopted though not yet published, — by which the chief ports in the Black Sea and the Baltic and in the far East are to be closed to foreign vessels in the year 1901. These ports, among which are Nicolaiev, Dünamünde, Cronstadt, and Vladivostok, are then to be used exclusively as naval stations and bases of Russian commerce, while foreign commerce, thus excluded from its former stations,

will assist in building up new and prosperous ports in Russian dominions.

In connection with this, an extensive policy of fostering the merchant marine has been entered upon. The right to trade between parts of the empire has been restricted to Russian vessels,[1] and coastwise navigation will therefore be entirely carried on by ships sailing under the Russian flag. The government has given a guarantee to refund all duties paid at the Suez Canal by Russian ships going to the far East or coming thence. The exclusive tariff policy by which Russia also fosters native shipping is well known. In an article on the industrial development of Russia,[2] Professor Oseroff states that on account of excessive protection of Russian manufactures, there is really a superabundance of profits, and that there is no need of enterprise, and no stimulation, by competition, of new inventions and methods. Dividends of the established manufactories are exceedingly high, running up even to one hundred per cent. Since the prohibition on the investment of foreign capital in Russia has been removed, there has been a considerable immigration of capital from abroad, especially from England and Germany, but this introduction of new forces is

[1] By a law which took effect January 1, 1900, foreign vessels sailing from one Russian port are prohibited from touching at another, even where the two are situated in different seas. — *Consular Reports*, March, 1900.

[2] Oseroff, "Industrial Development of Russia," *Forum*, April, 1899.

opposed by the Russian press, and the adoption of a less liberal policy is constantly being urged.

The manufacturing methods of Russia are in many cases archaic. For instance, cold-blast furnaces are still extensively used in the manufacture of pig-iron. In general it may be said that Russian technical knowledge is rather encyclopædic than expert. An example of this is afforded by the gratification which Russian railway engineers displayed at having planned and executed a very deep cut through the solid rock, where engineers of any other nation would have employed the method of tunnelling. On account of the high tariff on iron, the construction of new works is exceedingly expensive. The agricultural population, too, is unprovided with the most necessary iron implements. Wooden plows are still used throughout the empire.

There has been, however, in the last ten years, an enormous increase of Russian manufactures, which now employ 1,750,000 workmen. Thus, the output of blast furnaces has increased fourfold since 1887, and the product of cotton spinning has been more than doubled since 1885.[1] Mining, on the other hand, has shown but little increase. Efforts of the Russian government to aid the development of industries by direct bounties and by direct privileges and tariff reductions on the railways are said not to have appreciably stimulated industry, because these were looked upon by

[1] See *Statesman's Year Book*, 1899, p. 951.

the manufacturers as simply an additional bonus obtained from the government.

There has therefore been practically no effort on the part of Russian manufacturers to gain markets beyond the borders of the empire. In this connection, it may be well to repeat the fact that Russian expansion is not so much a struggle for markets, since the manufacturers have already, within the dominions of Russia herself, more of a market than they can supply; but rather a struggle for soil to afford room for the constant agricultural expansion of the empire. This essential distinction between the purposes animating Russian politics and those of other nations must always be borne in mind. It cannot be said that the Russian government has thus far succeeded in effectively using political means for stimulating the progress of industrial methods within the empire. By shutting off foreign competition, she has simply made possible the perpetuation of antiquated methods, and has enabled manufacturers to receive an undue profit for inferior goods, while the population of the empire suffers from a lack of supply of the most necessary industrial products. It can hardly be said, therefore, that Russian industry is ready for the work of developing a province like Manchuria. Only by inviting and protecting the investment of the capital of other nations in her newly acquired sphere of influence can Russia hope to draw therefrom within a reasonable period the advantages which nature offers. But among

the aristocratic classes of Russia there is even a strong feeling of contempt for an industrial and commercial civilization. They consider themselves called to propagate the ideas of Russian civilization, rather than to aid the industrial development. A Russian diplomat thus expresses this feeling: "The Russians are not a commercial nation. The people have aspirations toward higher ideals than those of commercial gain. The *moujik* exists for raising the sustenance of war."

Some writers fear that in the mysterious workshop of Asia, Russia may elaborate and force upon the world the industrial and financial preponderance of Slavism. It should, however, be borne in mind that Russia is in an entirely different position in Asia from that which other nations hold. She came there originally, not from a desire for commercial exploitation, but by following her destiny, the inward compelling power of national expansion. At present, by abandoning the traditions of this expansion, by actually planting outpost colonies of Russians and by entering upon a policy of more conscious imperialism, she is in danger of materially weakening herself on account of too rapid an advance. Her statesmen have recognized all this, and hence naturally desire time and peace in which industrial developments may be brought up to a plane with the political achievements of the last few years.

The unconscious instinct of the masses has been a foremost guide in Russian politics — a con-

sideration which is of prime importance in judging of the respective positions of England and Russia in China. Russia assimilates, while England merely superimposes her authority. Russians are fond of likening their empire to Rome; the acid by which national and local organisms are dissolved into their elements, to be precipitated again in the form of a higher unity,[1] is the Russian national spirit. If Russian advance should be allowed to go on naturally and gradually as it has in the past, the power of that nation in Asia would become almost irresistible; England in opposing her would have the unfortunate position of Carthage. She would have to rely for her defence on unassimilated subject nations, while Russia could summon against her the vast masses that will gradually become penetrated with the spirit of Russian polity and civilization. In general, economic considerations are of primary importance in British expansion; in the expansion of of Russia, they are only secondary.

[1] Ihering, *Geist des römischen Rechts*, § 1.

CHAPTER II

The Influence of the Oriental Situation on the Western European Powers

Turning now to Great Britain, we may note the same important effects of the opening of China on her politics. Originally, England considered herself the chief agent in the opening of China to Western influences, and having by far the greatest commercial interests there, she had little actual serious competition in this undertaking. Now, however, other nations have appeared upon the scene and have partly succeeded in gaining exclusive influence over certain portions of Chinese territory. This has tended to weaken that policy of equal opportunity throughout the civilized world for which England has so long stood. For, should other nations acquire vast portions of the earth's surface and close them against British importations, it would seem a necessary act of self-defence to erect around the British possessions a similar protective barrier. It would seem, in other words, that Great Britain must soon make her choice between Cobdenism and a policy of imperial protective federation. The English public recognizes

the importance of the problem, and, as a result, other questions that before loomed grandly on the political horizon have sunk away into insignificance. Who can now become enthusiastic over Welsh disestablishment, or even over the reform of the House of Lords, when the influence of Great Britain on the progress of civilization is at stake, and when her commercial and industrial supremacy is threatened? The optimistic spirit in which she formerly favored and championed free trade and equal industrial opportunities throughout the world has become "sicklied o'er with the pale cast of thought."

Continental nations have usually attributed to selfish motives this desire of Great Britain to keep the whole world open to international commerce. It was, they say, because the English nation felt itself the strongest power in the field, and therefore sure to profit from the freest competition. As supporting this view, it must be admitted that the advance of German manufactures has strengthened the protective sentiment in Great Britain. But it is still doubtful whether the traditional policy of the British Empire would be definitely abandoned unless large portions of the available surface of the earth should come under the permanent control of exclusive powers like Russia and France. At present, the large majority of the English nation still believe that all the participants in the world's commerce are benefited by the policy of free trade.

The developments in China have been one cause of the recent *rapprochement* between Great Britain and the United States. Both have the same interests in the Chinese Empire. Both have, so far as Chinese politics are concerned, the same opponents. Therefore, though in other matters these two nations are most eager rivals, they may well act in common when the question of the destiny of China is at stake. Had Great Britain not been reinforced by the American republic in insisting upon the "open door" in China, it is doubtful whether that policy would have prevailed.

The relations of Great Britain with other nations have also been strongly influenced by developments in the Orient. The traditional hostility between the Bear and the Lion has been intensified by anticipations of a coming contest, — of a struggle for influence in a part of the world which is destined to be industrially most important. Never have these two powers scrutinized each other with greater suspicion. Never has there been a keener diplomatic contest between them than the present one regarding the Chinese Empire.

Again, the relations of England and Germany, which, in consequence of the emperor's telegram to Krüger and the constant invasions of the English commercial domain by German trade, had become dangerously strained, have now become decidedly more friendly on account of the parallel interests of the two powers in China. On the other hand, a bitter and apparently enduring hos-

tility has been engendered in Great Britain against France on account of her subserviency to Russian policy in China, as well as on account of the combined intriguings of those two powers in the Soudan. In Chinese affairs, the grouping of the powers, so far as diplomatic influence and policy of exploitation are concerned, has been Russia and France against Great Britain, the United States, Germany, and Italy. The existing friendship between Italy and England has been cemented and strengthened. Italy has always looked upon England as the protector of the freedom of the Mediterranean from Franco-Russian control. She now relies on England for the protection of the rich markets of China against the insidious influence of the two exclusive powers.

It remains to be noted how radically English anti-Russian politics have changed in bearing and scope by having their focus transferred from Constantinople and Afghanistan to China. At Constantinople, England was simply protecting her own national interests. In China, on the other hand, she has become the champion of the general rights and interests of the industrial nations. The interests which she there represents and defends are so much broader than those involved in the former contests that the earlier stages of Russo-English animosity have for the present lost much of their importance.

Germany, more than any other European nation, has entered upon a conscious policy of imperial

expansion since the recent developments in the Orient. She was the first power to take advantage of the Russian preoccupation with Manchuria. Judging correctly that Russian attention was now centred in the far East and withdrawn to a certain extent from Constantinople, she concentrated her influence and succeeded in gaining a firm foothold in Asia Minor, receiving valuable concessions and replacing England in the friendship of the Sultan. In China, too, she acted with rapidity, tact, and clear-sightedness, and placed herself at one stroke in the first rank among the interested powers. Together with France, she assisted Russia in taking the fruits of victory from Japan; she thus gained the good will of her powerful northern neighbor, and at the same time secured influence in China and a free hand in Constantinople. The Sultan is now the dear and exalted friend of the emperor, and the German government has obtained advantages in Asia Minor which could formerly be hoped for only as the result of successful warfare.

As Russian interest has to some extent been withdrawn from the Balkan states, Austrian fears in this direction have become assuaged. Russia is beginning to recognize that she has more to hope from expansion in the Orient than from the forcible annexation of her Balkan neighbors, the assimilation of whom might give her no less trouble than she has experienced in Poland, the Baltic provinces, and Finland. Moreover, Austria

has the less to fear from Russia because that powerful empire sees its vital interests opposed by Great Britain rather than by any other power. In general, it may be said that the relations between Russia and the Teutonic empires have become decidedly more friendly as a result of the developments of the past few years.

A twofold influence of the opening of China may be traced in the case of France. The republic was suddenly startled by the peace proposal of the Czar, which Paris interpreted at first as a desertion of France by her powerful ally, in her most cherished plans. The French had expended a vast amount of sentiment and money in courting the friendship of the Russians. Russian sailors on their visit to France had been idolized, and what Count Tolstoï considers an epidemic of insanity had seized the people when the Czar himself appeared on French soil. But now, with the proposal for a peace conference, the Russian government seemed to have concentrated its entire interest upon securing and maintaining its power in the far Orient, and to have forgotten poor France, with her long-standing woes and unsatisfied ambitions, though she had furnished the Russian financiers with much-needed loans and had lavishly poured the affection of her ardent soul upon the bushy beards of the Muscovites.

It soon appeared, however, that, while Russia might not he ready to champion the French policy of revenge in Europe, her interests in China were

identical with those of France, and a new basis for friendship was thus found. Both France and Russia are opposed to the policy of equal opportunity in their possessions. Both desire to make their territorial acquisitions a direct aid to national commerce and manufactures. Both desire, too, to exercise a decisive influence in Oriental affairs; the one, from Siberia in the north; the other, from Indo-China in the south. Their policy coinciding, the conditions of continued alliance and coöperation were present, and the cordial relations between Russia and France are therefore undisturbed, notwithstanding the peace programme. France and Germany, to be sure, acted in concert at The Hague, in defeating the Czar's project of disarmament, but the essential unity of French and Russian political aims was not thereby disturbed.

France, as we have seen, is endeavoring to join hands with Russia across the English sphere of influence in China, and all the expressions of French statesmen, as well as their actions in the far Orient, bear out the conclusion that the two nations are to stand together in the struggle for influence in China. Former causes of friction between France and Great Britain, such as the Newfoundland fisheries and the possession of the Nile Valley, sink into relative insignificance when compared with the tremendous interests at issue between the powers in the Celestial Empire.

A word as to the influence of the opening of China upon the lesser nations of continental

Europe. The recent developments of imperialism have made it plain that it is not for them to play a part in the control of world politics, but that they must confine themselves rather to a development of their national resources in Europe and to a defence of their own independence. Spain has already lost her colonies. The African possessions of Portugal have already been prospectively divided between England and Germany, who will secure them at the first favorable opportunity. Germany is evidently seeking means whereby she may open a way to the acquisition of the Dutch colonies in Asia. But while these minor nations must tremble for their transoceanic possessions, their national existence is not immediately threatened by present developments. The great European powers have too much at stake in the struggle for world influence to weaken themselves by the attempted assimilation of recalcitrant and still powerful nationalities in Europe. This accounts for the evident diminution of Russia's interest in the Balkan states. For the same reason, it seems certain that the political theorizing which would attribute to Germany a desire presently to swallow up Holland, and to France the policy of intriguing for sovereignty in Belgium, has but little foundation.

In general, the political perspective is widened and extended by the developments in China. The narrow arena, within which European contests seemed destined to be fought out, has been broad-

ened to include the whole world. The pettier affairs that formerly divided nations have given place to vast interests, for when the question of civilization is itself at stake, disputes over territorial boundaries must necessarily give way. It is a grave reflection on the statesmanship of the present government of England that it should not have succeeded in quieting the uproarious spirits of South Africa, and thus have prevented a struggle which may fatally weaken the empire at this critical moment of the world's history. The energies of all nations should be concentrated in the far East, in order that irretrievable disaster may be prevented, — such a disaster as would be the abandonment of China to any one ambitious power, or a mismanagement of Chinese affairs that would make forever impossible the peaceful fusion of Oriental and Western social ideals and industrial capacities.

Such questions as that of Alsace-Lorraine, of Newfoundland, the Balkans, and Trieste, or of the impending dissolution of the Austrian Empire, wane before the vast importance of these recent developments. There, the fate of a nation or of nations is at stake; here, that of the world: there, some millions of people may be interested; here, not only the four hundred millions of Chinese, but also the members of every civilized state feel that their dearest interests are involved. The total revolution of European political ideas, a complete change in perspective and in the valuation of

the various aims and controversies, is therefore the result of the opening of China. Never have the conditions of statesmanship changed more within a quarter of a century, — perhaps even within centuries, — than they have within the last three years. Events have moved with such rapidity that it has seemed almost impossible that human ingenuity and statesmanship could be able to control them, or in any measure to influence their results. Humanity seemed to have been drawn into a torrent which was rapidly hurrying it on to the most destructive contests that the world has ever seen. The outcome has not been as fierce and terrible as might have been expected even a year ago. It is now time for those to whose hands the destinies of the nations are intrusted, to take stock of the developments, and to fix on a rational, conservative policy to be pursued with regard to the questions which we have been discussing.

Passing now to the relations of the European powers to southern Asia, we find that no less important changes in political conditions have been brought about there by the opening of China. As Russian attention was partly withdrawn from Constantinople and Afghanistan, it became possible for the balance of political influence in these regions to be shifted. It has been one of the central ideas of German imperial politics to obtain influence in Turkish dominions. The culmination of this policy in the visit of the emperor to the Orient and the obtaining of the valuable concessions to

which reference has already been made, will be more fully discussed in a subsequent chapter. In brief, it may be said that English influence at the Porte has been entirely superseded by that of Germany. The influence of France in the Levant is also admittedly on the decline. While French capital is still interested in enterprises in Asia Minor, the Germans are engaged in active colonization, and are fully alive to their present opportunities in that region.

Afghanistan has for a time ceased to be the storm centre of Asia. The attention that was formerly concentrated on the Afghan mountains and passes has now been directed to much broader fields, and the relative importance of the Afghan question has consequently decreased. As it is true, however, that, should a contest between Great Britain and Russia actually come about, land operations would be of exceedingly great importance, and as the approaches by way of Afghanistan to India are still the easiest for Russia, Great Britain has continued in her policy of fortifying her northwest Indian boundary, and especially the Khaibar Pass.

Although Russia has realized her ambition of obtaining an ice-free port, and her desire to reach the Persian Gulf has consequently abated in intensity, she remains fully aware of the value of diplomatic ascendency in Persia coveted so long by her.[1]

[1] Ever since the treaty of Turkmantchai in 1828, when Persian Armenia was ceded to Russia, this power has exercised great influence in Persia.

Making excellent use of the preoccupation of her great rival in the African war, Russia has now succeeded in firmly and definitely establishing her preponderating influence in Persian affairs. Through the Loan Bank of Persia, she has just advanced the Shah the sum of 22,500,000 rubles, upon condition that the customs revenues of northern Persia be mortgaged as security, and that no other foreign loan be contracted by Persia without the consent of the Russian government. At the same time, Russia obtained extensive railway concessions within Persia, including the right to extend the trans-Caspian railway to Bandar Abbas, on the Persian Gulf. Thus Russia has entered a region which Great Britain was especially anxious to reserve to herself as a sphere of interest. If Russia now succeeds in gaining from the Porte the coveted concessions of railway lines in northern Asia Minor, especially along the shore of the Black Sea, the triumph of her diplomatic policy of peace and opportunism will be complete.

The position of Great Britain in India has certainly been rendered more precarious by recent developments. The Russian line of approach to the Indian Empire has been extended, especially by the advance of the trans-Caspian railway into Persia, and by the acquisition of a paramount influence in northern China. Although protected against direct attack from China by the mountains, India could be menaced by an invasion through Siam, in which country French and Russian diplo-

macy work in concert. The position of Russia receives special reinforcement from the fact that she will have two bases for naval expeditions, — Port Arthur, and her railway terminal on the Persian Gulf.

It therefore becomes doubly important for Great Britain to fortify her rule in India by enlisting the population of that empire in her support. It cannot be said that England has succeeded in gaining the affections of her Indian subjects; in fact, the separation between the natives and their Western rulers is rather on the increase. The facilities of modern travel tend to make the British administrators mere sojourners in India, very unlike the older generation of British Indians, who became thoroughly intimate with Oriental life and character. At present it happens too frequently that officials, while honestly endeavoring to enforce justice and govern for the best interests of the subject race, entirely disregard the susceptibilities of a sensitive people, and by a haughty, domineering manner, antagonize men who pride themselves on their rank among the natives. Moreover, English ideas of official morality and conduct, as well as the higher elements in Western intellectual civilization generally, are on a plane rather too elevated for the masses of the East. The Russians, on the other hand, do not demand so much of their subjects, but allow them to continue in their Oriental ways, simply superadding a thin varnish of Russian religion and civilization.

CHAPTER III

The Meeting of Orient and Occident

The results of the opening of China on the Chinese Empire itself have already been partly discussed. We have not yet, however, considered the meaning of this development to civilization in general. The meeting of the Orient and the Occident, long foreshadowed, has finally taken place, and the settlement of accounts between the two civilizations cannot be longer postponed. Whenever the Orient and the Occident have met before, it has always been in a life-and-death struggle for leadership in civilization. It was at Marathon that the West first saved itself from Oriental dominion: later, Alexander carried Western influences far into the Orient; but the wave swept back, and the European nations were again in turn forced to fight for their existence against Moors, Tartars, and Turks. But the end of the struggle is not yet. Far from the battlefields of Tours and Wahlstatt it is going on with different means and under new and more portentous circumstances. Western civilization, now fully developed,

and rich in the accumulated wealth and wisdom of centuries, stands panoplied in all the glories of history. The Orient, which believes that it has learned ages ago the sum of knowledge and the essence of truth, is still animated with the same spirit, and still has in great measure the same social and political institutions that existed at the beginning of the Christian era. Though these two civilizations have in some degree reacted upon each other, they still maintain a distinct character, with little real mutual understanding.

The great question that now agitates thinking minds is as to the future predominance of either tendency in the life of the world. Is the Western spirit to conquer or to be conquered, or is there to be a peaceful union of the two ancient civilizations, combined into a higher harmony? Considerations like the above may seem too general and indefinite for purposes of political discussion. Yet it must be remembered that in politics we should be aware of the widest consequences that may follow from any policy or situation; and perhaps at no other time in the world's history has the general development of civilization so hinged upon immediate political action as at the present day. True, the considerations here presented are mere possibilities, but they are possibilities of such far-reaching and tremendous import that they should not be overlooked; and to one who wishes to understand the forces at work about him, and to witness with appreciation the development of the greatest

drama of the world's history, the knowledge that the fate of civilization is involved will not make events of less interest.

While, as we have said, the two civilizations have mutually influenced each other, and while, in places, they shade off into one another, their general characteristics may nevertheless be clearly stated and distinguished. The Orient has the pessimism of completed knowledge and disillusionment: it is quiet and serene, because it sees nothing worth striving for: individual existence is unimportant. The West, on the other hand, is intensely individualistic, and filled with an optimistic energy which leads it to believe in an evolution of higher forms and in progress to a higher civilization: not always clear as to the final aim, it yet believes above all in upward struggle, and takes for granted that humanity can progress.

The meeting between the two civilizations has long been foreshadowed in philosophy and in general thought. The opening of India to the nations of Europe introduced the Western mind to the treasures of Eastern philosophy. With the growth of philological studies the influence of Oriental thought has become preëminent in many fields. Schopenhauer, the philosopher who perhaps best represents the attitude of continental European thought in the middle of the present century, is a Buddhist, and derives from Oriental ideas the life and spirit of his pessimistic philosophy. Even Nietzsche, standing though he does for a revival

of Western individualistic energy, has not escaped the same influence. His individualism is after all an individualism of genius, of the select few, with a truly Oriental disregard for the masses of humanity. Russia, the chief Western exponent of Orientalism, has loomed larger and larger in men's minds, and the strange fascination which her power exercises in modern political life is due in no small measure to the anti-individualistic tendencies of her civilization.

But, some one may ask, was not this threatened meeting of Orientalism and Occidentalism already accomplished long before the invasion of China,— when Europeans took in hand the guidance of Indian nations? It must be remembered, however, that in India very few Europeans settle permanently, and that no real communication has been established between the natives and the foreigners. The educated Indian regards the English as masterful barbarians who understand the art of government, to be sure, but who, in matters of culture, are still mere children. What the West is striving for and struggling over, their Oriental mind has solved long ages ago.

In China, the relations of the races will be different. First of all it must be remembered that China is in a more temperate zone, and will therefore permit and even invite settlement by Europeans. Consequently, more direct and more far-reaching relations will be established between China and the Western nations than was the case

in India. Moreover, the Russian spirit will be present there to act as an interpreter and mediator between the two civilizations, and should Russia succeed in assimilating large areas of the Chinese Empire, Orientalism will be furnished with a strong political organization to aid it in impressing its character upon the world. It is therefore evident that the real meeting between the forces is still in the future, and that it will be a meeting fraught with unprecedented consequences. The Chinese themselves are tenacious of their social and religious ideas. While often ready to accept Western methods in commerce, they have received little impress from the Western spirit in any other way, as is witnessed by the slender success of Christian missions in the Chinese Empire.

Buddhism, introduced into China from India, is the true religion of the Orient. Its pessimistic view of life, its weariness of existence, and its search after Nirvana, the quiet of the soul, are the fruit of long ages of suffering. It is averse to all fretting energy. Its ideal is a quiet life of contemplation and the extirpation of all violent passions and desires. Buddhist temples are a true symbol of the deepest ideas of the religion. The shrines, containing the seated image of Buddha, rise from the edge of a translucent pond of water, surrounded by tall trees, — these shallow, limpid pools fitly symbolize the eye of consciousness, freed from passion and looking serenely out upon life. It is thus that the Buddhist would pass his

existence, contemplating the world, making it his own by quiet absorption, — not wearing out his spirit in unavailing strife, — and awaiting final Nirvana, the rest of the spirit. Though the Chinese are not so imaginative as other Orientals, Buddhism is the only true religion of the Chinese masses, as it is of the Japanese, despite the fact that the mandarins, whose position depends upon upholding the political importance of Confucianism, affect to despise it.

The question of greatest moment at the present time concerns the influence of Western industrial, political, religious, and intellectual forces on China. Should the empire remain intact, and should friendly relations continue to be fostered, much of Western civilization would imperceptibly creep in and become a part of Chinese life. On the other hand, should injudicious political measures hopelessly antagonize the Chinese population, such a peaceful union could not be effected. It is certain that, should the policy of partition which has been advocated in some quarters be realized, terrible conflicts between the far East and the West must be the result. The broadest interests of civilization therefore demand that the Western powers should exert all their influence in maintaining intact and open to Western thought and life the greatest empire of the East.

Certain pessimistic spirits have already prophesied a conquest of our civilization by Oriental ideals. They believe that it is becoming untrue to

itself, and is beginning to worship at the shrine of Oriental fatalism. There has, it is true, been a deepening and broadening of Western thought within the last few decades. The influence of Indian philosophy and religion on Western life can have escaped no one. The days of the shallower rationalism and utilitarianism are over, and there is instead a return to reverence for the deep, mysterious forces of nature and of life.

Unhappily, there also goes with this in many quarters a discountenancing of scientific methods in the field of knowledge and an impatience with liberal ideas in the field of politics; a return to mystic romanticism in fiction, — to a worship of half-understood symbols which are dealt out to the faithful as the essence of knowledge and experience. The slow, painful methods of acquiring knowledge by scientific investigation are viewed with impatience. The electric searchlight which science sends into the hidden recesses of existence is not easily or willingly borne by weaker eyes. They prefer the romantic dusk of Gothic cathedrals and medieval idealism. In politics, progress by patient strength, by legitimate industry, by continued effort, is too slow. The imperial idea is invoked in a movement to endow nations with world dominion through manifestoes supported by brute force. The simple ideals of democracy, of social equality, of the coöperation of the governed in matters that most concern them, are in some quarters beginning to be brushed aside and to give place to a claim

of the right of the stronger to govern as he pleases. Western civilization has certainly lost its harmony and cohesion.

At this juncture, the East with its swarming hordes living a listless life from century to century; the West with its energetic, individualistic impulses, but without any consistent philosophy of civilization, meet face to face. That this threatens to accentuate the reactionary forces, to strengthen autocracy and brute force, and to weaken everything that bases itself on reason, reflection, and individual right, is natural and evident. While some presaging spirits cherish the hope that Eastern thought will yield a harmonizing principle to the life of the West, others abandon themselves to the fear that we are destined to be driven back into another period of darkness in which intelligence will slumber and brute force reign supreme.

The unfavorable influences that are to be expected from Oriental civilization may be summarized briefly as follows: a pessimistic view of life; an undervaluing of individual rights and the power of individual initiative; a caste spirit which looks upon men as mere incomplete portions of a larger unity in which their existence is entirely swallowed up; the degradation of women, whom Western ideals have placed on an equal intellectual and moral footing with men; a lack of sympathy; the preponderance of theocracy; and absolutism. It is paradoxical that, with all its individualism, the West is, nevertheless, more sympathetic than the East.

This sympathy is largely a result of the Christian religion; for before the growth of Christianity, the Roman world was dominated by the Stoic spirit, to which pity for the sufferings of fellow-beings was entirely foreign. Throughout the Orient, man is singularly apathetic and untouched by the woes of his fellows. It may be said, indeed, by apologists of Eastern thought, that sympathy merely increases human suffering a thousand-fold by making every individual carry the burdens of thousands of fellow-sufferers, and that it leads to a perpetuation of deformities and disease by protecting from extirpation the victims of these evils. Even so, it cannot be doubted that, when we come to consider the feelings and ideals which make our life endurable, the bond of sympathy with fellow-beings is to be counted among the first of these, and that the introduction of Oriental apathy regarding the well-being of others would impoverish our civilization. No one who has read the most recent European philosophical and critical literature can have failed to see how deeply this question is agitating the European mind.

Some favorable influences that may be exercised by the meeting of the older and younger civilizations are the gaining by the latter of a deeper insight into the mystic elements of life, more serenity, and greater quiet and self-possession. Our civilization is too materialistic, and lays too much emphasis on mere machinery. The Oriental may

well ask, Why do you hurry, and struggle, and make inventions, and reduce life to an endless scramble, when you have not time left to think about the deepest questions of the human soul?

If Chinese partition should be made the stepping-stone to world control, Western nations would be forced to fight for their civilization, and a century of terrible conflicts would be imminent. Such a struggle could only end in the final preponderance of one power in a world absolutism more deadly than that of Rome in that there would be left no vigorous elements to revive a dying civilization. It is not strange, then, that many should be looking forward to times which will try men's souls, and insisting that we make sure of rallying about only the best in our civilization, and of struggling, not for material gain and the vulgar glory of the hour, but for the permanence of our highest ideals, in order that the world may retain an abiding-place for truthfulness and honesty in life and thought. No one who sees the seriousness of the present situation will rashly cry for war and headlong national aggrandizement.

That China would not readily yield to any open and forceful imposition of Western civilization is evident. The easiest and surest way of approach is that of practical life. The Chinese are intensely alive to any real improvements in the every-day concerns of business and industry, and when practical conveniences are brought to their notice they are not slow to profit by them, as the multitude of

Celestials who have from the first crowded the trains on the railways in Pechili have proved. There is no doubt that, with the precedents already adopted, Western industrial institutions will very rapidly spread and be accepted throughout China. The telegraph is already a part of Chinese life; the railways will be within a few years. Manufactures are rapidly being established and the methods of mining reformed. With such a change in the economic basis of life, a change in ideas and in customs may also be expected. As a matter of fact, the avidity with which large numbers of educated Chinese seek every possible chance to gain information on Western methods, and the rapid spread of the reform propaganda in 1898, show that a large proportion of the people are ready for far-reaching changes.[1]

[1] The mandarin Pung Kwang Yeu advises missionaries to appeal to the upper classes by offering them advanced learning and technical information. See "Confucianism," in *The World's Parliament of Religions*, Vol. I., p. 374.

CHAPTER IV

General Consequences of the Opening of China

It is a question of great moment how rapidly Chinese industries and commerce will develop under the new conditions. Most alarming prognostications have been indulged in by certain European writers who believe that China will rapidly become the great centre of industry, leaving Europe a deserted mother of nations. The marvellous extent of the resources of China has already been touched upon. To this we must add the integrity and business capacity of her merchant class. At present, Japanese houses generally employ Chinamen in positions of trust, and the business in Farther India and in the Philippines is almost exclusively in the hands of Chinese merchants. It is not certain, however, to what extent they will show themselves fitted for great undertakings that call for the power of manipulating millions of capital, watching markets of wide extent, and forestalling the needs of vast populations. In huge industrial undertakings of this kind, the Chinese are as yet untried. They have

cheap and abundant labor, — the best, the most reliable, and the most frugal in the Orient. It must, however, be remembered that, while nominally cheaper than Western labor, it is at the same time less efficient, needing more supervision, and accomplishing less in a given time. Thus, visitors to a government arsenal found workmen asleep by the side of their running machines. With all the advantages of cheap labor which the Chinese enjoy, the cost of production in the iron industry is still much greater with them than would be the price of the articles furnished if bought in a European market.[1]

But when we picture to ourselves that there is in China one-third of the world's population crowded into eighteen provinces, many of which in their natural wealth surpass, by far, countries like Germany and France, there is little room for doubt that, when the industrial forces of this region have once been set in motion, China will in truth become the "realm of the centre." Unlike Japan, China is most abundantly provided with coal and iron in close proximity to each other, so that the distance and cost of transportation of the raw material will be reduced to a minimum; and factories can be established in localities where fuel, material, and labor exist in the greatest abundance.

The first step in the development of China is the providing of transportation, which will redound largely to the benefit of foreign commerce. Those

[1] See *Consular Reports*, 1898, p. 1053.

nations that are most patient and that study most carefully the requirements of the market will carry off remarkable commercial advantages. It is true that the opening of river navigation, from which much had been expected, has not proved of considerable advantage to commerce on account of many harassing restrictions. But even in river commerce, the door is partly open, and, with a few more firm remonstrances at Peking, the advantage already gained may be rendered of actual use to trade; whereupon it will undoubtedly be extended also to railroad communications.

The development of manufactures and mines has but just begun, although, as we have seen, numerous concessions have already been granted and many manufacturing establishments have already been founded. In Shanghai, alone, five great foreign cotton mills, and three owned by Chinese, have commenced operation since 1895. The Hanyang iron foundery, the first monument to the new progressive spirit in China, is now turning out large quantities of rails for the Chinese roads. The cost, however, is still considerably above that of the same goods in the European market, while the quality is inferior and the supply inadequate to the present needs, so that large quantities of rails are still being purchased from Great Britain and the United States. It is doubtless to be expected, however, that China will soon become a great manufacturing centre for cotton, woollen, and iron goods. The cheaper grades of cotton goods are

already manufactured in large quantities, and for these grades, Chinese raw cotton is adequate in quality and quantity. Little raw cotton, therefore, is imported from America or India for Chinese manufacture. In Japan, the case is quite different. During the last year, about twenty-two million dollars worth of raw cotton was imported for the Japanese cotton mills, and one-third of this came from the United States.

The development of manufacturing industries in China will in the first instance bring about a vast demand for European and American manufactured products. Machinery for cotton spinning, for iron works, and for paper manufacture is already being imported; and as the number of new industries increases, a vast market for these articles will be opened. Indeed, no immediate shifting of the centre of industry to the Orient need be feared. Decades will elapse before China will be able to satisfy even the newly stimulated demand of her own population for manufactured goods. The prophecies which were made in regard to the impending competition of Japan in the world market have failed to be realized in any but the slightest degree. On the contrary, Japan, through her commercial and industrial development, has become a far better customer in European and American markets; and the same will undoubtedly be true in the case of China, although the latter empire is in a far more favorable position for industrial self-sufficiency than is the Land of the Rising Sun.

As China is opening up to commerce, the question of currency becomes one of absorbing importance. At present, the fluctuations in the silver currency of China are such that even the most legitimate business partakes of the nature of gambling. The United States consul at Shanghai, in his last report, states that, though eight million dollars' worth of American goods had entered that port during the fiscal year, probably not much money was made by the firms handling this business, as the rapid and great fluctuations in the price of silver rendered impossible any accurate calculations. A silver-using country would undoubtedly have a great advantage in trading with China; but as even Japan has now adopted gold monometallism, and is rapidly introducing the same system in Corea through her commercial influence, all the great nations that have important dealings with China are gold countries. It is a serious problem as to how this great impediment to international commerce can be removed. Unless the quantity of gold continues to increase rapidly, it seems almost impossible that China, a vast nation of four hundred million people with constantly expanding commerce and industry, can be raised to a gold basis without entailing dangerous consequences upon the money market of the world. This problem, though it belongs to economics rather than to politics, nevertheless deserves the closest attention of thinkers and statesmen in all those nations

that desire their share of the coming vast trade with China.

With the growing importance of China in the world of industry, the Pacific is becoming a most important highway of commerce, promising to outstrip the Atlantic as a centre of maritime interests within the not distant future. The countries that immediately border upon the Pacific contain a population of about 550 millions of inhabitants, well-nigh one-half of the total population of the globe; and this mass of humanity is more directly dependent on the Pacific Ocean for transportation facilities than are the Atlantic peoples on that body of water, because railways and canals have not been as fully developed in the Orient as in the countries bordering on the Atlantic. The whole perspective of the industrial world will thus be changed: what formerly seemed almost the back-yard of the world is now to become the very centre of interest. Japan bids fair to rival the great island kingdom of the West. Viewed in their relation to the Chinese markets, the Philippine Islands are in a position of great importance. From this standpoint also, the making of a canal that will join the Atlantic to the Pacific becomes a matter of immediate necessity. The South American republics that face on the Pacific Ocean are beginning to feel their neighborhood to the Oriental world, and Chinese emigrants, excluded from the United States, are seeking fields of activity in Latin America. Vast transportation com-

panies have recently been formed to connect the various shores of this great basin. Thus, the Imperial Japanese line[1] is, next to the two great German lines, the largest, richest, and best equipped in the world. This whole development, with all that it involves, emphasizes the importance of navies. Any nation that desires to have its voice heard in the counsels of the East must be able to support its demands with a strong and efficient navy.

That the United States is most intimately interested in the developments here discussed is too evident to call for argument. It is especially the states of the Pacific slope that may hope to profit largely from the developments in China, as their vast lumbering resources correspond to one of the most strongly felt needs in Chinese industries. The day may come when the port of Seattle or of San Francisco will show a larger shipping than that of New York, because the peoples reached by the routes that diverge from these points are so greatly superior in numbers to those that border on the Atlantic, and are growing constantly stronger in their industrial requirements.

When the startling import of the events that we have been considering first dawned upon the Western world, there was a feeling of bewilderment amounting almost to fear. As the situation becomes more clearly outlined, however, a weight

[1] The *Nippon Yusen Kaisha* in 1898 owned sixty steamers of 191,343 tons.

seems to be lifted from Europe; for not only is a wider perspective given to politics, vaster interests involved, and greater fields thrown open to the endeavor of European nations, but there is also a growing feeling that a grander work of civilization, in which all nations can participate, is claiming their combined exertions. The narrow jealousies of Europe, and the rankling hostilities that were constantly endangering the world's peace, have given way for the time to broader interests, and, although these too may be used to kindle the fire of national animosities, there is, nevertheless, within them a power to create more friendly relations among the great countries, and thus to bring about their co-operation in a work where all will have ample opportunity to employ their best powers and most important resources.

The day of alliances is over. Within the last decade we have had a kaleidoscopic change in international affinities. We have had a triple alliance and a dual alliance, with secret affinities among the various members of the two. We have seen Russia, France, and Germany united in opposing the projects of Japan after the Chino-Japanese war, and aiding Russia to take the place of Japan as a friendly civilizer of the Celestial Empire and to reap in that way almost all the direct benefits of the war. Thus, too, England, Germany, Japan, and the United States are inclined to sympathize on the question of equal opportunities, while Great Britain and the American republic have entered

upon a stage of general amity strangely in contrast with their former strained relations. Germany and England work together in Africa in the matter of the Portuguese possessions around Delagoa Bay. France and Russia, even after the first enthusiasm of their European friendship has evaporated, find in the Asiatic situation new grounds for friendly agreement. France and Italy, long inimical, have approached each other in the commercial treaty of 1898. A *rapprochement* even between Germany and France is indicated by certain recent events, such as the interchange of friendly messages between the two governments, the emperor's visit to a French man-of-war, and the reception accorded the actress Agnes Sorma in Paris.

All these instances tend to show that general alliances are no longer the order of the day in international politics. Understandings on definite points may be reached, but a nation of the first rank must be self-centred. It may approach other nations and coöperate with them in certain definitely prescribed matters, but it must not bind itself completely to the policy of any other power. The position of France has been decidedly weakened by her constant subserviency to the policy of Russia, as shown especially in China. While, with the constant aid and connivance of France, Russia practically gained a rich and promising province, the former country has obtained only concessions of rather doubtful value in the southern part of the

empire. The state that allows itself to be drawn as a satellite into the orbit of another power inevitably loses prestige and endangers its own national interests.

If the forces at work were only clearly understood, the result would be rather a strengthening of peace than a heaping of additional fuel upon the fires of international hostility. There is no need of narrow suspicions. The field is vast enough to afford room for the exercise of all the energies of civilization. The Empire of Great Britain, by its most valuable work of policing dangerous districts, making them accessible to the world's trade, and giving them an equitable system of laws, is offering to other nations vast markets, the destruction of which no national aggrandizement on their part would repay. Thus Egypt, from being a sink of corruption, has in the short period of twenty years been raised to the position of a prosperous nation with credit sufficient to carry on vast internal improvements.

Russian advance and Russian efforts to push forward the bounds of civilization are likewise of value to the whole world. If that nation is actually most successful in assimilating Oriental nationalities, if she, more readily than any other European power, can give to them a certain modicum of civilization, resistance to her progress must in the end prove futile; and in the meantime such resistance can serve only to antagonize her and incense her into complete hostility to Western methods

and ideals. Her progress is slow. Any attempt on her part to carry out vast imperial schemes without the foundation of true interests would result in the collapse of her whole policy.

Thus, all nations may coöperate as long as they expand naturally. What must be prevented at all hazards is the ruthless preëmption of territories not yet demanded by the interests of national expansion. Even if the nations grow normally, the day may come when they must clash and prove their right to survive. But that day is distant indeed. Until then, it is only necessary to repress the tendencies that would anticipate natural development, and thus create an artificial spirit of contention and competition not based on living, actual interests. To oppose the natural growth of a strong power is unwise and futile; to resist the artificial preëmption of regions not yet necessary for national life is the part of statesmanship.

III

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PART IV

GERMAN IMPERIAL POLITICS

CHAPTER I

The Nationalism of Bismarck and the Imperialism of William II

The expansionist tendencies of Germany to-day are especially interesting under a twofold aspect: as showing the historical development from nationalism to national imperialism, and as illustrating the various ramifications which that expansionist policy at the present time assumes. Germany is the foremost among the nations that have realized their unified political existence during the nineteenth century, and her whole history up to 1890, to be rightly understood, must be read in this perspective. Even to-day nationalism is the firm basis of German policy. Her colonial expansion began at first as a merely commercial development, political considerations being secondary. The change which has been wrought by recent events will be best illustrated by a glance at Bismarck's views on colonialism, followed by a more detailed study of the expressions and measures of the statesmen of a more recent time.

It was Bismarck's idea that German colonies were to maintain a strictly commercial nature.

Thus, he frequently contrasted them with the military and administrative colonization of France. In discussing in his *Memoirs*[1] the future policy of Russia, Bismarck states that progress of that power in Asia Minor and Turkey will be favorable to Germany by withdrawing the attention of the Muscovite Empire from the German border. Germany, thought Bismarck, had no intention of extending her territory, and therefore, of all European powers, she had the least interest in the Orient. He believed that Germany's policy has always been characterized by respect for the rights of the other states, and this essential justness he ascribes to the objectivity of the German character, and also to the fact that Germany does not stand in need of an increase of territory. According to the *Memoirs*, the nation simply desired to realize its political unity, and, this having been accomplished, it favors peace and the maintenance of existing conditions. In the view of the Iron Chancellor, there is no combativeness or irritability in German politics. He states that he never looked upon international controversies from the point of view of the duellist's honor, but that he always rather regarded their effect upon the right of the German people to lead an autonomous life. Bismarck even favored the formation of chartered companies, in order to avoid the assumption of political control in connection with colonization.

[1] Bismarck, *Gedanken und Erinnerungen*, Ch. XXX.

By the year 1890, German policy had already changed materially. Events had proved that commercial exploitation leads almost inevitably to political interference under the necessity of giving protection and imparting prestige to national undertakings. Thus, the revolts in Zanzibar, in 1888, had led to far-reaching political interference on the part of the German government, and when in 1890 the delimitation agreement was concluded between Great Britain and Germany, the latter empire found herself in the possession of a political domain of 650,000 square miles on the African continent. With the more recent developments of imperial politics, the methods of Germany have thoroughly changed, and the principle of the necessity of political assistance in the work of commercial and industrial colonization has been fully adopted.

How far this principle is carried in practice will be examined immediately; but we may well preface that consideration with a few representative expressions of opinion on the part of the German emperor and other statesmen. Minister von Marschall said in the navy debates of 1897:—

"German politics is not about to enter on an adventurous stage. We must defend our interests, defend the Germans in foreign lands. Emigration must be directed into such channels that the Germans abroad may be kept German."[1]

[1] Wilhelm Müller, *Politische Geschichte der Gegenwart*, 1897, p. 49.

The manner in which the opposition views the policy of political interference is shown in Deputy von Kardoff's answer to von Marschall's speech. Among other things, he said: —

"Where there are no German warships, there German commerce flourishes most. The protection to Germans in foreign lands is simply a prelude to a policy of world empire. That is a poor diplomacy which can advance only when protected by guns."[1]

The utterances of the emperor regarding the policy to be pursued, are of special significance on account of his influence and representative character, for his speeches have come to be looked upon as important declarations of the government policy; and it is well known that he selects auspicious occasions to impress his leading views on the citizens of Germany and on the world at large. In his speech at Cologne, in June, 1897, he said: —

"We have great duties in the world. There are Germans everywhere whom we must protect. German prestige must be preserved abroad. The trident belongs in our hands."[2]

Upon the representative occasion of delegating Prince Henry to command the Oriental fleet, the emperor took occasion to express himself most unequivocally on the new tendencies of world politics, using the following words: —

"The expedition which you undertake is the logical consequence of what our sainted grandfather and his great chancellor have politically organized, and what our magnificent father

[1] *Ibid.*

[2] *Ibid.*, p. 127. See also *supra*, Part I., Ch. IV.

fought for on the field of battle. It is simply the first realization of the transoceanic ambition of the newly united German Empire. It is my duty to follow the new German Hanse and to offer it the protection which it has the right to demand of the empire and its ruler. We must also protect the German brothers whose ecclesiastical duties take them into distant lands. Our mission is one of protection, not of aggression. We simply wish equal rights for German commerce under the imperial banner. Imperial power is sea power. The two are mutually dependent. One cannot exist without the other. Our citizens abroad may rest absolutely assured that the protection of the empire will everywhere be given them through the imperial navy. Should any one infringe our rights, then use the mailed fist and earn your laurel wreath."[1]

A still more significant utterance was made by the emperor at Hamburg on October 18, 1899, when, at a banquet given in the town hall after the launching of a great vessel, he said: —

"Germany is in bitter need of a strong fleet. This mighty emporium of Hamburg shows what the German people can do when united, and on the other hand, how necessary to our interests is the strengthening of our naval forces. If that kind of reinforcement had not been refused me during the first eight years of my reign, — refused despite my urgent requests and admonitions, refused with scorn and even mockery, — how different matters would be to-day. We should be able to push our thriving trade and commerce over the seas."

Expressions like these might be cited in a multitude of instances, but the above suffice to summarize the policy that is at present governing the counsels of the German Empire. When we now

[1] *Ibid.*, p. 195.

[2] Reported in the daily press.

turn to that policy in detail, we find that it illustrates all of the aspects of the new imperialism. It emphasizes commercial and industrial interests. Political interference and control enter by way of the protection needed for industries and for missions. The industrial conquest of a country is initiated by the building of railways. Actual colonization is everywhere fostered. Chartered companies are used to develop backward districts, and the method of protectorates is in great favor.

In general, Germany has entered upon a conscious policy of imperial expansion, and with their well-known thoroughness of method, the Germans have developed a system of imperialism more complete and well-ordered than that of any other country, although not covering so much territory as does that of Great Britain or that of France. To any one who desires to study the present tendency of colonial and industrial expansion, the methods pursued by the German Empire are therefore highly interesting and instructive. It is chiefly as showing the sudden transition from nationalism to imperial ideas, and as bringing out clearly the manifold methods by which this tendency manifests itself in contemporary history, that the writer presents a review of the most recent developments in German colonization.

CHAPTER II

The Interests of Germany in Africa and Asia

Germany is interested in widely scattered fields, and her methods vary according to the conditions, — political, economic, and physical, — of the country to be colonized. The South African colonies are managed largely on the basis of English precedent. Although of considerable extent and likely, under the recent understanding with Great Britain, to be augmented by the accession of a portion of the Portuguese possessions in Africa, these colonies may be omitted from our consideration, since they present elements less characteristic than those which may be noted in other parts of the German colonial field. It is true that Germany has been obliged to solve there many questions of colonial policy, such as that of punitive expeditions, of treatment of the black races, and of the best methods for commercial expansion. But her plans and proceedings in other parts of the world are so much more interesting and important that we shall not dwell upon the African colonies, nor

on those of Oceanica, where the chief rights of government are placed in the hands of a chartered company.

It is chiefly the industrial and commercial colonization of China, Asia Minor, and South America that is of interest in this connection. Of course, there is such a fluidity of development that it is difficult to form hard and fast conclusions, but we can gather information enough to apprise ourselves of the evident drift of circumstances, and to understand better the situation of the world and the interests of the various nations at the present time.

It is often stated that Germany covets the Dutch colonies in Asia and South America. There has been considerable newspaper agitation and discussion of an alliance between Holland and Germany, by the terms of which Holland is to furnish large additions to the German navy, while the empire is to defend the Dutch kingdom by its mighty army. The alleged desire of England and America for the Dutch colonies is used to stir up feeling in favor of such a union, and the Transvaal complications lend further strength to this movement. But it has not as yet passed out of the stage of discussion into that of action; and while it may be looked upon as a political possibility to be reckoned with, it would be a grave mistake to make it a basis of political reasoning as an accomplished fact.

We have already incidentally discussed the position of Germany in China, and it will there-

fore be sufficient if in this place we summarize what has been said before, merely offering additional information on important points. It is, of course, well known that the actual seizure of Chinese territory was accomplished under the guise of retaliation for outrages committed on certain missionaries of the Roman Catholic Church. It is interesting, in this connection, to note the efforts made by the German government to obtain the protectorate over Roman Catholic missions in the Orient. On account of their cohesion and systematic manner of proceeding, these missions are more effective agents for purposes of political extension than are those of the Protestant churches. The French still cling to their claim of being the regular protectors of Catholic Christians in the Orient; but a few years ago a concerted effort was made to displace France from this office, partly or entirely, and to substitute instead the German Empire. The movement was assisted by the German party at the Vatican, led by the cardinals Ledochowski, Hohenlohe, and Galimberti,[1] which exerted its influence to have a portion of the protectorate transferred to Germany, using as arguments against France the prevalence of religious struggles and the power of Masonic organizations in the republic. As Cardinal Ledochowski is prefect of the prop-

[1] See article on "La Politique Allemande et le Protectorat des Missions Catholiques," in *Revue des Deux Mondes*, September, 1898.

aganda, — that is, virtually colonial secretary of the Holy See, — he was an important ally of the German cause. An attempt had already been made in 1886 to supersede France, at least in part, by having a papal nuncio to China appointed. In 1891, Bishop Anzer, the head of the German missions in China, placed his mission under German protection. It was the massacre of two of his missionaries that led to the German occupation. The massacre could not have come at a time more suitable for the Emperor William's plans, since it furnished occasion for significant naval demonstrations, and strengthened the emperor's position in the Reichstag by inducing a large portion of the Centrist or Catholic party to favor the naval budget.[1] German efforts at the Vatican not being completely successful, the imperial government has finally declared that, even without the consent or expressed wish of the Vatican, it will undertake the protection of German missionaries and ecclesiastics wherever they may be found.

The territory thus gained in China, — the port of Kiao-chow, — is to be made the centre of German exploitation of Shantung and the Yellow River valley. Within the former province, railroads are to be built exclusively with German capital and by German engineers; for a distance of 30 *li* (about

[1] Telegrams thanking the emperor for the protection afforded were received from many prelates, including the archbishops of Breslau and Posen.

12 miles) from each side of these railways, and along their whole extent, the mines are to be developed by German subjects. If the Chinese should at any time be in need of foreign capital for the development of Shantung, German capitalists shall, in the first instance, be applied to for loans. Necessary machinery and materials, too, are to be obtained from German manufacturers.[1] In the upper Yellow River valley, no such exclusive privileges have been obtained, though from the agreement made between German and British financiers,[2] it is apparent that the German government intends to foster commercial and industrial exploitation in this region.

In this connection, it is interesting to note the influence of Chinese affairs on the political affinities of Germany. The German Empire and France assisted Russia in preventing Japan from deriving the fullest benefits from her great victory over China, and as a remuneration for the good offices thus offered to the Celestial Empire, the latter has allowed these three nations exceptional concessions within her borders. Germany, by joining this triumvirate in its inception, secured exclusive privileges to which her former relations with China had scarcely entitled her, and she still occupies a privileged position in the eyes of the court and government at Peking.

It is not at all to be expected, however, that Germany will bind herself in any way to act with

[1] *Consular Reports*, December, 1898, p. 558. [2] See p. 123.

France or Russia in the future. Having now obtained a foothold in China, her interests will henceforth rather be contrary to those of her two former allies, and more similar to those of the British Empire. Germany will not act rashly; she will patiently await developments and act at every juncture with precision and due regard to her interests. It is not certain that she would oppose further advance on the part of Russia, if she herself were to receive additional advantages similar to those already acquired, and if she were also to be assured that her present trade facilities would not thereby be diminished. Should the course of events inevitably lead to an actual partition, the German Empire would demand its share, but it is not to be expected that she will consciously take any steps toward bringing about such a development. Advances looking to that end can be expected only from Russia.

The interests of Germany in China are primarily of a commercial and industrial nature. Her commerce is rapidly gaining upon that of England. At Hongkong, the German merchants are most prosperous and energetic, and more and more of the trade is passing into their hands. Kiao-chow must, therefore, not be looked upon primarily in the light of a territorial acquisition, but rather as a point of support for commercial and industrial development. The same is true of the moderate territorial concession obtained in the city of Hankow, where also German commerce is rapidly gain-

ing.[1] When Prince Henry steamed up the Yangtse in imperial splendor, his purpose was to impress the Chinese mind with the power of Germany to afford effective protection to her industrial representatives. From all this it may be judged that the interests of the empire in China are already large, and constantly and rapidly growing.

Such being the case, the rational policy of Germany is one of equal opportunity and opposition to exclusive appropriation. Her government is fully alive to the vast importance of the Chinese crisis, and every incident in that great historical development is keenly watched. Whatever may happen, Germany is sure to insist upon her just share in any advantages to be obtained. It perhaps may be doubted whether she can be counted on to oppose an effective barrier to the Russification of northern China. As long as the markets are left open and industrial advantages free, she would not be inclined to venture blood and treasure in a struggle with Russia; but should that country insist upon absolute exclusiveness of policy, Germany might be relied upon as an ally in the opposition to Russian advance.

The countries of Asia Minor, Syria, and Mesopotamia have recently come into prominence as of great importance for colonization. We are accustomed to think of this region as composed of vast plains or of mountainous and barren tracts, over which nomadic horsemen roam, and which are

[1] See *Consular Reports*, August, 1899, p. 671.

studded here and there with the ruins of the cities of former empires. Few have thought of the industrial possibilities of this vast region; and yet there can be little doubt that within the next few decades it will become a great industrial and commercial centre. Though not so immensely rich as China, its resources are abundant and accessible, while its population is sparse. Moreover, European colonists could settle here without being subjected to the inconveniences or dangers of a tropical climate, and without being obliged to modify greatly the habits of their homes. They could without much change transfer their trade and manufactures, and here continue their accustomed industrial activities. Of all the regions still available for European colonization, this is, therefore, by far the most promising.

It is evident that from the very first the present emperor has recognized the importance of Asia Minor. Though Bismarck asserted that Germany, having no interests there, need not oppose the Russian advance in that region,[1] the emperor has from the beginning taken a decidedly contrary view. He has moulded his entire European policy with a view to gaining the friendship of the Turkish government and obtaining from it complete freedom in developing the resources of Asia Minor.

[1] Cf. his famous saying, "In the whole Oriental controversy (of 1876) there are no German interests involved that would be worth the sound bones of a single Pomeranian musketeer." — Speech of December 6, 1876.

The German missions of that region have also been placed under special imperial protection. The Steele Fathers, whose *Palästinaverein* is a most important missionary agency, have placed themselves under the shield of the emperor, and though Cardinal Kopp's mission to the Vatican to obtain the papal sanction for a German protectorate did not succeed, the emperor has, as has just been said, declared his firm purpose to maintain the right of the empire to protect her citizens wherever found. Besides these German missions, there are already in Syria and Palestine important industrial, commercial, and agricultural colonies, and within the past year a large colonial society has been formed for the development of this movement.

Of the greatest significance, however, is the emperor's visit to the Holy Land in 1898. Many have been inclined to put this visit down to the account of the emperor's predilection for splendid dramatic presentations. Taken in its connection with German policy, however, it is not to be doubted that it had a deep political significance. For years before the Sultan's friendship had been cultivated, and especially during the Greek war, did the German government openly evince its regard for the Osman Empire. Not only had the German officers given the brave Ottoman fighters the methods needed for success, but even the government itself was prompt in taking steps which showed sympathy with Turkey as against

Greece. Some writers have attributed this movement to Germany's desire for the preservation of European peace;[1] but surely such a desire might have been evinced without active manifestations of sympathy for the Turkish government. Thus, an Armenian professor, Thumajan, who wished to speak in Berlin on the persecution of the Armenian Christians, was not allowed to give his address, on account of his attacks on "our friend, the Sultan."[2] Germany's manifestations of sympathy, which were of substantial value to Turkey and which were highly appreciated by the Porte, were followed by the emperor's visit to the Orient. With great splendor, which might well be taken as indicating a lurking desire on the part of the august monarch to figure, at least in the eyes of the impressionable Orientals, as a vice-regent of God, the imperial "progress" was accomplished.[3] The imperial visit to Jerusalem, like the visit of Prince Henry to Hankow, indicated the purpose of the emperor to give political aid to commercial and industrial development and colonization.

As a result of these activities, the Germans have assumed a leading rôle as colonizers in Syria and in the southern part of Asia Minor. Their commercial interests are rapidly expanding, and no

[1] For instance, W. T. Stead, in *The Chief Justice of Europe.*

[2] Wilhelm Müller's *Politische Geschichte der Gegenwart*, 1897, p. 28.

[3] See Étienne Lamy, "La France du Levant," in *Revue des Deux Mondes*, January, 1899.

efforts are spared to study the characteristic demands of the market, and to adapt the nature of manufactures and of the credit arrangements to local conditions.[1] In order to give greater impulse and unity to the efforts at colonization, a German monthly magazine, *Der Orient*, is being published, in both the French and German languages. To quote from the opening article: —

"Its purpose is to strengthen and extend the mutual relations of Germany and the countries of the Levant. It will contribute to the better understanding of political and commercial undertakings in those regions, combat ancient prejudices among the Orientals, and prove to them that we Germans have no political axes to grind in the Levant, but simply desire to be allowed to appear as unselfish friends and as pioneers of Western culture. *Der Orient* will attempt to increase German imports into the Levant, as well as the exports from there to Germany, and it will strongly advocate the solidarity and authority of Turkey and the Balkan states."

Development of railway communication in Asia Minor is chiefly in the hands of German capitalists. The Anatolian Railway, the trunk line intended ultimately to connect Constantinople with Bagdad, has already in large part been constructed. In 1888, the German Bank (*Die Deutsche Bank*) of Berlin obtained a concession to build and operate for ninety-nine years that part of the line between Ismid (near Constantinople) and

[1] See *Commercial Relations of the United States*, 1898, pp. 142, 1161, 1170, 1178.

Angora, a distance of 485 kilometres. This section of the line was built by the German Society for the Construction of Railways in Asia Minor, of Frankfurt, and was completed in 1892. Two further important concessions were obtained by the German Bank in 1893,— for a line between Angora and Kaisarieh (425 km.), and for a branch to Konia (470 km.). The concession for the part of the trunk line between Kaisarieh and Bagdad is reported as having also been obtained by German capitalists, in 1899. One great difficulty which confronts the railway builder in that country lies in the fact that the government wishes the roads constructed on strategical rather than on commercial lines, and it is therefore often no easy or simple matter to arrive at an agreement.

The resources of this region are of great variety and richness. The plain of Hauran, west of Damascus, would alone be able to furnish the grain necessary for the sustenance of a much larger population than that of Syria to-day, and there are many other regions of equal promise. The mountains are rich in mineral wealth.

The position of the country promises to make it also an important industrial centre. Should the great railway line from Alexandria to Shanghai be constructed, Palestine would become the junction point for the European, Asiatic, and African transcontinental lines, a position that would redound most favorably to the commercial importance of this region.

Strategically, too, Syria is of the highest value. Commanding both the sea and land routes between the continents, it is easily defended on account of its partly mountainous character, a condition which is certain to give this region vast political importance. The power that can control it will thereby obtain a material accession to its weight in the politics of the world. At present, Germany does not aim at anything beyond an industrial conquest. But should this be accomplished, it would doubtless lead naturally to the assertion of political influence, at least to the extent of the exclusion of foreign powers.

It is here that Russia and Germany are most likely to clash. Germany, with her rapidly expanding population, is looking for fields suitable for actual colonization. Hitherto she has lost her colonists, chiefly to English-speaking lands. To avoid this in the future is one of the greatest hopes of the present government. Nowhere can this hope be attained more readily than in Asia Minor, where there is no population which would be at all likely to absorb the German colonists, and where, on the contrary, they would retain their national sentiments and keep up their connection with the mother country. Should Germany succeed in fostering considerable industrial and agricultural colonies in Asia Minor, her inheritance of the political power of Turkey in these regions would be only a question of time. She might still leave northern Asia Minor to the Rus-

sian Empire, although even that is doubtful. The southern part she has clearly marked out as a field for her interests, without, however, asserting any present policy of exclusiveness, since such a policy would tend to defeat the ultimate realization of German purposes.

CHAPTER III

German Colonization in South America

The nature of German colonization in South America and the manner in which the imperial government views the industrial and commercial development of that region are especially interesting as showing how thoroughly the Germans are aware of the true character of modern imperialism. Territorial acquisitions are of secondary importance, when considered by the side of the necessity of providing ample facilities for trade and industry throughout the civilized world, and strong and efficient protection of the industrial colonists by the home government. Throughout South America, German commerce and industry have made rapid strides in the last decade. The advance of German enterprises has undoubtedly been exaggerated by interested writers, whose purpose has been to add fuel to existing international hostilities. The present absolute volume of German trade in South America is not so important as that of Great Britain, but the significant fact remains that the investment of German capital and the formation of

trade relations have increased relatively more rapidly than those of any other nation.

The colonies of Germany in South America have a basis which is chiefly commercial. A German merchant settles in some community, extends his business relations by founding branch houses in neighboring towns, and draws after him to his new home other relatives and friends. Then, too, by the side of their commercial establishments, agricultural colonies are often founded. Finally, to facilitate the exchange of products, banking operations are carried on between the mother country and the colony. The colonists avoid all interference in local political affairs, leaving sterile politics to the native population, and confining their attention to the development of the country's wealth. As a consequence, they generally enjoy the confidence and esteem of the populations among whom they work. They have a very clearly expressed purpose to which they tenaciously adhere, — the building up of commercial relations between Germany and the fields of colonization.

In certain parts of Central and South America, a very large portion of the trade has come into German hands.[1] Very important banking corporations have been established to mediate between the colonial tradesmen and the mother country.

[1] Thus, for instance, three-fourths of the coffee exported from Guatemala goes to Germany. Almost all the foreigners in this country are Germans. See *Statesman's Year Book*, 1899, p. 706.

Thus, the German-Brazilian Bank has a capital of $4,000,000; the German Transatlantic Bank of Buenos Ayres, $5,000,000. Throughout South and Central America, and especially in Chile, Brazil, and Argentina, there are numerous German banking firms, which are of the greatest assistance in the development of trade with Germany. It is estimated that more than $150,000,000 of German capital is invested in Brazil alone in industry and large holdings of real estate. German capital is interested in Brazilian railroads, and also in the *Gran Ferrocarril* — The Great Railway — of Venezuela. In southern Brazil and southern Chile, important agricultural colonies have been founded, while in the Argentine Republic large numbers of the middle class landholders are Germans.[1]

As it is certain, from utterances of the German press and political declarations of the government, that Germany has directed its attention to the magnificent field opened for commerce and industrial exploitation in the South American republics, it is to be expected that German immigration will, in the future, be directed into this channel.

The political aspect of this expansion becomes evident when we consider the protection which the mother country feels called upon to afford her colonists. As we have seen, the emperor has repeatedly declared it to be the intention of the

[1] See Kunz, *Chile und die deutschen Colonien*, Leipzig, 1891; F. Vie, "Les Colonies Commerciales des Allemands," in *Revue des Deux Mondes*, February, 1899.

government to use its political power to defend the civil rights of her citizens wherever found. In this connection it should be further noted that the Russo-German agreement concerning China contains a section referring to South America, by which Russia promises to allow Germany a completely free hand in following out her interests and developing natural resources on that continent. We have seen that Bismarck's idea of purely commercial imperialism is, in the long run, untenable. When populations on different planes of social advancement come together, friction cannot be avoided, and political interference will often, under the dogma of universal protection, be the result of purely commercial undertakings. Should Germany, therefore, on account of complications in South America, find herself called upon to defend the rights of her colonists, she would undoubtedly take the necessary steps, even though this might interfere with the maintenance of the Monroe Doctrine by the United States.

It is claimed by European powers that the Monroe Doctrine is merely an expression of American policy, — not a part of international law, — and that it is justified only so long as it rests on actual interests. In other words, they acknowledge that should the United States actually have the paramount interest in South American affairs, there would be a just foundation for the doctrine. In modern politics, they insist, mere sentimental, ideal affinities have lost their strength. Any

country, therefore, which has material, actual interests in South America has, they assert, a right to interfere in so far as the protection of those interests may at any time demand.

Recent developments in American politics have given European nations another argument by which to avoid the moral necessity of recognizing the Monroe Doctrine. That doctrine or line of policy established between the Old World and the New a certain balance, with a guarantee of mutual non-interference, which had an appearance of justice. But now, as a matter of fact, the centre of Old World political interests lies in China, or, more broadly, in Asia. The United States, by its avowed intention to play a leading part in Asiatic affairs and to foster actively its present and prospective interests in that region, has left the sphere which the policy of the Monroe Doctrine seemed to have assigned to it. According to the interpretation of European writers, the balance of mutual forbearance upon which the justice of the Monroe Doctrine might have been maintained has, therefore, been destroyed. The United States, according to them, can no longer, on merely ideal grounds, demand the exclusion of European influence from the Western hemisphere. Wherever its legitimate interests lead, there a nation has a right to follow. If legitimate interests are developed in South America, such as may in time necessitate political interference, the Monroe Doctrine will not be allowed to stand in the way when that occasion

arises. At any rate, if the United States desires to maintain the doctrine, it must be ready to assume the responsibility for the security and the protection of European interests in South America.

It should not be understood from this that the writer wishes to imply that Germany is actively plotting for an acquisition of South American territory. Her policy thus far has been simply one of fostering to the utmost possible extent her national commerce and industry, by entering regions hitherto unexploited. If the general lust for territorial aggrandizement is curbed; if the United States and Great Britain succeed in checking the further territorial disintegration of China; and if, finally, they put proper restraints on those elements within their own polity which are crying for undue territorial expansion, — then South America and the world in general may, for a long time to come, remain an open field for the free and equal exploitation by all nations that possess great industrial power. Should, however, a policy of land seizing be continued and exaggerated, great international struggles cannot be avoided.

CHAPTER IV

General Characteristics of German Imperial Politics

The foregoing considerations have given us a vantage-ground from which to view Germany's new imperial policy as a whole. It is based on Bismarck's idea of commercial expansion; its purpose is to create a commercial and industrial empire, resting on a strong nationalistic basis, — one founded for the purpose of giving an outlet to the superabundant energies at home. As far as possible, political complications are to be avoided; but since, in regions where there is no civil law, or where its administration is unsatisfactory, the colonists may need protection, it becomes necessary to build up a strong sea power for this purpose. The government aids individual undertakings to the full extent of its power by giving them information and protection, and within her own protectorates the empire gives the preference to German investors.

An object-lesson in the protection of her citizens abroad was given in the case of Hayti in 1897. A German citizen had been arrested, fined, and im-

prisoned without due cause. As the president of the republic disregarded the representations of the German ambassador, two ships were despatched to support the demands of the government for restitution,— which was immediately afforded.[1] This case and the seizure of Kiao-chow happening just at the time when the imperial government was asking for an extensive enlargement of the navy, they were made the most of by the government, with the result that the grant asked for in the budget, which had been repeatedly refused, was finally allowed, the navy having thus amply demonstrated its usefulness and even its indispensability.

The field within which territorial acquisition is at present possible has become decidedly limited. The German Empire, therefore, confines its attention chiefly to the extension of commercial relations,— to founding industrial and commercial colonies, and maintaining assiduously their connection with the mother country. A conscious effort is made to direct German immigration away from its older channels into those that lead to regions where the colonist may be expected to retain his allegiance to the mother country. Commercially, such German colonists remain members of the empire and extend its sway; politically, they are beginning to look to it for protection whenever local political complications arise. An exclusive policy such as that adopted by Russia would ruin

[1] See Wilhelm Müller's *Politische Geschichte der Gegenwart*, 1897, p. 200.

Germany; whatever colonies Germany might acquire would not afford a sufficiently extensive market for her national industries. It is in the free exchange of her products with other nations like Great Britain and the United States, therefore, that the salvation of Germany lies. Of course, if these nations should adopt in any extreme form a policy of exclusion, Germany would be driven in self-defence to the policy of territorial aggrandizement.

Looking now to the relations of Germany with other great powers, we find that the empire, as far as affairs of world politics are concerned, has preserved its independence, and has acted as its interests at any given time have dictated, fostering friendly relations with all great powers, but yielding to none in matters of vital material interest.

In South Africa, Germany and England seem to have come to an understanding with regard to the eventual partition of the Portuguese possessions. The details of this convention are not known, but it is at least certain that these two great powers intend to work in harmony on the continent of Africa, and it is to be hoped that no narrow prejudice will succeed in separating two nations whose interests are so closely allied in the matter of keeping the world open to free trade and preventing the victory of a narrower commercial policy. Though great rivals industrially, they are both enriched by having a free opportunity to supply the world with what their respective resources and capacities enable them to produce

at the greatest advantage, so that in the policy of equal opportunity they may well stand shoulder to shoulder.

It has also been noted that relations between France and Germany have of late grown more amicable. This *rapprochement* between nations recently so hostile to each other can only be explained by the fact that they have come to realize the advent of an era of much broader interests than those of continental Europe, and to recognize that in the great work of opening the world's resources there is room for all the energies of the civilized world. If this idea can be emphasized in the intercourse of the leaders and the diplomatic representatives of the great powers, it will counteract the narrow, chauvinistic nationalism that tends to sharpen unreasoning hostilities.

One of the elements that have favored a reconciliation between France and Germany is the consciousness that both countries have many vital interests in common, especially as against the other great powers, Russia, England, and the United States. Should a policy of commercial exclusiveness be more generally adopted, and should these latter powers all erect themselves into exclusive spheres, as Russia has already done entirely and as the United States has done in part, the nations of central Europe would be forced to combine for self-protection. In colonial matters, there are no violent antipathies between France and Germany:

in Asia Minor, their capitalists have combined in the matter of railway exploitation; in China, the two powers have often acted in common, although pursuing different commercial policies. As indicating a certain community of interest, it may be noted that at the Peace Conference at The Hague, Germany and France opposed the disarmament plans of Russia and the use of the peculiar bullet of Great Britain.[1]

When the opinions of leading publicists of both nations were recently sought on the matter, many of them, on both sides, favored a reconciliation, or, at least, a friendly understanding. Mommsen believes that the future of Western civilization depends on the realization of such a movement, while Professor Schmoller emphasizes the common interests of the two nations as against other powers.[2] Major Marchand, the hero of Fashoda, M. Pierre Leroy-Beaulieu, and the Baron D'Estournelles believe in continental federation and a friendly understanding with Germany,[3] so as to permit the republic to carry out her colonial ideas.

[1] This peculiar bullet, the "dum-dum," from the fact that on impact it spreads out and wounds a greater surface, is justified by English military experts particularly for use against savages who, when the other bullets are used, often fight on even where the missiles have passed through the body or have lodged within it. In other words, the older and more commonly used form of bullet rather disables than kills, while the "dum-dum" is calculated effectively to check the onslaught of a savage horde.

[2] See the *Deutsch-französische Rundschau*, 1898.

[3] See article on "The Relations of France and Germany," in the *National Review*, August, 1899.

The idea of a Central European League has often appeared in political literature. Count York von Wartenburg expresses the matter as follows: "There are only four great powers, — the United States, England, Russia, and central Europe under the hegemony of Germany." More than twenty years ago M. de Molinari[1] advanced the idea of a customs union for central Europe, which has been taken up and discussed in detail by Professors von Stein, Hasse,[2] Brentano, and other prominent publicists and economists. The Austrian foreign minister, Goluchowski, expressed the basis of this political idea in a speech of November 20, 1897. He said in substance: —

"It is a destructive competition which we have already entered upon with transoceanic countries, and which will increase in the future. This necessitates quick and radical retaliation, if injury to the most vital interests of the people in Europe is to be avoided. Shoulder to shoulder, they must fight the common danger. The sixteenth and seventeenth centuries were given up to religious struggles. In the eighteenth liberal ideas gained the day. The question of nationality characterizes the present century. The twentieth will be for Europe a period of struggle for existence on the field of commerce and industry."[3]

While it may be said with unhesitating confidence that the day of political coalitions is over,

[1] See his later book, *L'Union Douanière de l'Europe Centrale*, Paris, 1897.

[2] *Deutsche Weltpolitik*, München, 1897.

[3] Cited in Dehn, *Kommende Weltwirtschaftspolitik*, p. 80. Crispi stands for the same idea.

since nations are governed by economic interests which will not permit of the formation of permanent alliances, it is yet entirely within the range of possibility that customs unions may be formed. Should British imperial federation succeed, and the empire adopt a protective policy, it is very probable that the countries of central Europe would also be drawn into constantly closer commercial relations, which might even result in the formation of a *zollverein*. Indeed, the commercial treaties concluded on the continent during the present decade indicate that such a movement is already under way. But to look upon this as a movement toward political coalition against England and for the extermination of British power is an utterly unfounded view.

The old policy of the most favored nation agreement has proved too unpliable for modern use. Tariff wars are too destructive, and will therefore be avoided as much as possible between European nations. A policy of differential tariffs has been entered upon, by which various nations may establish a system of mutually regulated competition. It is believed that in this manner sufficient freedom will be given to the development of national industries and their extension abroad, while at the same time an effective weapon for the punishment of exclusiveness elsewhere is created.

It may be well to glance for a moment at Germany's equipment, and at the preparation which she is making for the great struggle of the twen-

tieth century. She has clearly recognized that the questions of coming world development are those of communication with markets, and that for this purpose three things are needed, — a merchant marine, a navy for its protection, and certain territorial bases throughout the world. Coming late into the field, Germany has not been fortunate in acquiring these territorial points of support. In the most important region, — the far Orient, — she has, however, acquired Kiao-chow, the Ladrones, and New Guinea, so that she is in a position to afford ample protection to her trade in those parts.

By the law of 1898, the permanent prestige of Germany's fleet is assured. That law marks a great change in German politics. In the debates which preceded its adoption, the point of view seemed to be that Germany could afford to be merely a great land power, and that it needed for its defence only a highly efficient army. Events which happened during the course of the debate, however, persuaded a majority of the German people that a strong fleet had become a prime necessity for a great power, not for purposes of warfare, but for purposes of protection. The people of the empire seemed to realize that the great struggles of the future were to be fought, not on their boundary, but beyond the seas. While, therefore, the army is for the present to be kept up to its former standard, special attention is now given to naval developments. The naval budget at present before

the Reichstag involves an ultimate doubling of the present size and efficiency of the German fleet.[1]

The progress of the German merchant marine within the last few years is especially remarkable. In 1871, this portion of the national economic machinery was insignificant. Within the next twenty-six years the number of steamers rose from 150 to 1125; their tonnage from 82,000 to 900,000. Like Great Britain, France, and Austria, Germany has entered upon a policy of granting liberal subsidies to her merchant marine. Two of her lines, the North-German Lloyd and the Hamburg-American Packet Company, are numbered among the greatest and richest in the world. Up to 1896, entries at the harbor of Hamburg comprised more English than German ships. Since that year the balance has been reversed, and at present the larger portion of German commerce is carried in German ships.[2]

Another form of preparation for the intense commercial competition which is now beginning,

[1] By 1904, when the provisions of the naval law of 1898 will have been carried out, Germany will have 19 ships of the line and 42 cruisers. The present naval programme calls for the addition of two squadrons to the two already existing; this increase is to be completed by 1920, when the German fleet will have 36 ships of the line and 65 cruisers. The cost involved is estimated between 400 and 500 million dollars. The number of ships of the line in the principal navies at present is: Great Britian, 69; France, 40; Russia, 24; United States, 18.

[2] *Die Seeinteressen des Deutschen Reiches*, Publication of the Imperial Navy Department, 1898. See also "Merchant Marine of Foreign Countries," *Special Consular Reports*, 1900.

is found in the excellent technical education provided by the German government. The engineering and commercial schools of Germany prepare with special reference to participation in colonial development. The character and configuration, the industrial and commercial possibilities of any country, are well known to the German engineer and the commercial clerk. Thorough training in all the languages used in colonial undertakings is also given, so that the German industrial colonist enters upon his work with a full mastery of the situation. He is not so dependent as are colonists of other nations upon aid from the native population.

In the method of manufactures, as we have already stated, the Germans study the markets carefully and adapt their products as closely as possible to the needs and requirements of their customers. They are not satisfied with sending catalogues, but send agents and samples, and prepare exhibitions. They are free from that somewhat supercilious disdain of foreign eccentricities which marks the Englishman. If men wish to wear nonsensical and peculiar looking clothing, it is their own affair; and the Germans are glad to manufacture and sell to them whatever they may desire. The French and the English rather expect the natives to be satisfied with the superior articles which their industries ordinarily furnish. The Germans, on the other hand, not only study the special likes and dislikes of their customers,

but also turn out vast quantities of cheap, even shoddy, goods, which are more within the means of poorer populations, and thus crowd out the more expensive manufactures of their rivals.

When, under the English trade-mark law, the provision requiring the designation of the original country of manufactures was enforced, many merchants in all parts of the world were astonished to find that goods which they had before considered of English manufacture really came from Germany. Without delay, they made inquiries as to the more direct sources of supply, and as a result much of the commerce between Germany and colonial regions, which before passed through British hands, is now carried on directly.

The policy of Germany in general is characterized by great confidence in her national strength, and by the apparent purpose of being, so far as possible, self-centred. The speech of Colonel Schwartzhoff at The Hague expressed this perfectly. The German nation is not, he said, exhausted by military expenditure, but, instead, feels to the full the strength of harmonious development, and the army is really an assistance to it in gaining control of its national resources.[1] The same confidence is also expressed in the utterances concerning German policy which we have already quoted.

[1] See also W. Blume, *Die Grundlagen unserer Wehrkraft*, Berlin, 1899.

CHAPTER V

The Influence of Imperialism on Domestic Politics

In connection with our consideration of German consciousness of power, as set forth in the last chapter, we have also to note a further fact of equal importance but of different bearing. There must be noted the tendency to concentrate national self-consciousness more and more in the person of the emperor. His own view of the proper attitude of the nation in the developments that are about to take place, he expressed in a speech at Hamburg, on October 19, 1899. After remarking upon the necessity of strengthening the naval forces, in order to afford protection to trade over the sea, he continues: —

"Yet the feeling for these things is only slowly gaining ground in the German fatherland, which, unfortunately, has spent its strength only too much in fruitless factional strife. Germans are only slowly beginning to understand the questions which are important to the whole world. The face of the world has changed greatly during the last few years. What formerly required centuries is now accomplished in a few months. The task of Kaiser and government has con-

sequently grown beyond measure, and a solution will only be possible when the German people renounce party divisions. Standing in serried ranks behind the Kaiser, proud of their great fatherland, and conscious of their real worth, the Germans must watch the development of foreign states. They must make sacrifices for their position as a world power, and, abandoning party spirit, they must stand united behind their prince and emperor." [1]

This ideal of a docile nation led by a triumphant emperor whose intelligence embraces everything, throws considerable light on the relations of imperialism to party government and parliamentary institutions. In proportion as foreign affairs take up a greater share of the nation's attention, a decided impatience is felt by the party of expansion with any criticisms passed on their measures by their political opponents. It is claimed by them that in foreign matters the nation should stand as one man; that policies once entered upon by the government should not be repudiated, and that criticism should be avoided, as weakening the influence of the nation abroad. Unquestioning acceptance of the measures of expansion and whole-hearted support of the national policy, right or wrong, are demanded as patriotic duties. Now it is evident that, so long as foreign affairs are of only minor importance, such enforced unanimity in regard to them will not necessarily break down party government, inasmuch as there are in internal politics measures of sufficient importance,

[1] Reported in the daily press.

upon which it is permissible and not unpatriotic to divide. In the present stage of development, however, external relations are taking on constantly increasing proportions, while internal affairs are being crowded into the background. It is evident that when the most important concerns of a nation are thus withdrawn from the field of party difference, party government itself must grow weak, as dealing no longer with vital questions. In his speech, the emperor very frankly accepts this interpretation of the proper attitude of a nation toward foreign politics; the people are to place unquestioning confidence in the existing government, and must avoid weakening the force of the nation by dissensions and criticisms. Considering the success of Russia in modern politics, such an attitude cannot be wondered at. In Russia there are no parties; there is no criticism of governmental action. The whole force of national life may, therefore, be brought by the government to bear upon the point where great advantages are to be obtained.[1]

There are many other expressions of the emperor which indicate an almost medieval conception of his office, a revival of the theory of divine right. The emperor believes that his grandfather, had he lived in the Middle Ages, would have been canonized, and that his tomb would have become a cynosure of pilgrimages from all parts of the

[1] For a further treatment of this matter, see Part V., Ch. II.

world.[1] In the speech from which a quotation has just been made, referring to the Socialists, the "party of revolution," the emperor says: "They dare to attack the foundations of the state; they rise against religion; and do not even call a halt before the person of their most high master" (the emperor). In a speech delivered at Coblenz on August 31, 1897, he speaks of the "kingship by the grace of God, with its grave duties, its tremendous responsibility to the Creator alone, from which no man, no minister, no parliament, can release the monarch."[2] His brother talked in the same strain when he received the emperor's commission as commander of the Oriental squadron. "It is not glory nor laurels," he said, "that attract me, but the opportunity of preaching the gospel of Your Majesty's sacred person abroad to all, whether they are willing to hear it or not."

Thus, as the importance of the executive is enhanced, that of the legislative is lowered, and parliamentary action is looked down upon as the futile and irritating activity of unpractical critics. If the governmental measures are to be adopted inevitably, why not dispense with the irritating delay of parliamentary discussion? It is, therefore, the policy of the government to strengthen the executive at the expense of the legislative. Large branches of governmental activity, hereto-

[1] See Müller's *Politische Geschichte der Gegenwart*, 1897, p. 35, where he refers to a speech of the emperor at Berlin.

[2] *Ibid.*, p. 153.

fore under the direct supervision of the parliament, are given a permanent institutional form and are provided for by the standing portions of the budget,[1] so that both in foreign matters and in home affairs the importance and influence of the Reichstag is rapidly decreasing. Among large portions of the population, the sentiment seems to be that the prime need of the empire is not discussion, but action; not political liberalism, but unity and harmony, with large armies and powerful navies to represent the national strength abroad.

It is not strange, therefore, that the parties of moderation, — the liberal parties, — have within the last decade grown decidedly weak. Political opinions are going to extremes. The parties in the German parliament that at present divide the power among themselves are the Socialists, the party of the Centre, and the Conservative party. The last named is a true party of reaction, with a strongly nationalistic, anti-Semitic bias. It is violently protective, is opposed to modern developments like the Rhine-Elbe canal, and is in favor of the restoration of a modified form of serfdom. The Centrists represent the compact masses of Roman Catholic communities in the south and west of Germany, who judge politics constantly with reference to ecclesiastical affairs. The Socialists, the party that concentrate their attention

[1] H. H. Powers, "The Political Drift of Germany," *Yale Review*, May, 1899.

chiefly on internal reform, are discredited by their opponents as revolutionary and nihilistic.

With parties divided along these lines, the operation of party government is out of the question, since, to make that system effective, there must be a certain amount of mutual respect and understanding. Where there is nothing but distrust, contempt, and calumny, a real party commonwealth cannot exist. In such cases, on the contrary, party government reduces itself to the more or less successful manipulation of factions by the government. Light is thrown on the emperor's methods of management by the threatened dismissal of some twenty judges who, as members of the Prussian Diet, dared to oppose the imperial policy of canal extension.

The same uncompromising extremism may also be noted in the political and social theory of modern Germany. The philosopher Nietzsche, whose writings are now exerting a great influence upon the youth of Germany, who is heralded as the champion sent to smite the giant of theoretical socialism, is an aristocrat of the most pronounced type. The main tenet of his philosophy is that the masses of humanity exist merely for the sake of the chosen few, and that the aim and purpose of human existence is, therefore, not the happiness of the multitude, but the production of choice individuals. These heroes are exempt from all moral duties; theirs are the impulses of victorious beasts of prey. Any brief statement of this writer's theories

is entirely insufficient to indicate the true character of his writings and the source of their power; but the great vogue and influence of such theories as that just mentioned, especially among the leading classes, indicate that the intellectual temper of Germany is largely anti-liberal.

In summarizing the considerations on the position of Germany at the present stage of world politics, we must emphasize the fact that Germany is still a national state, and that its politics are governed by considerations of nationalism as much as by those of imperialism. Its expansion is therefore in the main commercial, and it craves sea power chiefly in order to protect its transoceanic industries. Of course, the tendency to emphasize the imperialistic side and to gain territorial accessions is always present. Still, the interest of Germany is rather in commercial opportunities than in territorial acquisitions. Extension of her commerce into all parts of the world and the effective protection of nascent industrial interests is the key-note of her foreign policy. Fully persuaded of her own national strength, she shows no inclination to form permanent alliances with any power. Forever on the alert, she is ready to take advantage of changing conditions and to act as the occasion requires. It cannot fairly be said that she is pursuing an aggressive policy: to be sure, she is extending her national industries to the utmost of her power; yet she seems to recognize that there is in the unopened regions of the

world sufficient work for all civilized nations. While German writers show a natural and pardonable pride in having the German language and the German trade extended to all parts of the universe,[1] the idea of political empire, especially over unwilling civilized nations, is entirely foreign to the German mind. In the words of M. Leroy-Beaulieu, "It is in the interest of civilization that all European peoples should place their special impress upon some part of the world as yet unoccupied. In this manner, the world will preserve a little more variety, and will escape the danger of falling asleep in a uniformity of methods and conceptions."

IV

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[1] Even a broad humanitarian like Hermann Grimm warms to this thought in his essay on Goethe, in *Die deutsche Rundschau*, 1899.

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PART V

SOME CONSIDERATIONS ON THE POSITION OF THE UNITED STATES AS A FACTOR IN ORIENTAL POLITICS

CHAPTER I

The Interests of the United States in the Far East

Among all the interesting developments of the last decade there is perhaps none more significant than the change in the traditional foreign policy of the United States. It is a remarkable coincidence, to say the least, that the United States should have entered upon a war, the outcome of which placed it unexpectedly in the centre of Asiatic affairs, just at the time when the resources of the Celestial Empire were first beginning to be really opened to foreign enterprise, and when European nations were beginning to make territorial encroachments upon various portions of China. It can hardly be imagined that the United States would have continued to keep aloof from the great current of international politics, even if the country had not become involved in the Spanish war. As it was, the events of that contest served to direct the attention of the masses of the American people toward foreign affairs. This change in the attitude of the popular mind came

with the suddenness of a revolution, startling to many of the most patriotic citizens, who feel that too great attention to foreign matters will atrophy the energies of reform, and that, in competing for dominion with the great national empires of the world, we shall have to adopt their methods, and thus become untrue to our real social and political mission.

The change, however, has occurred, and no force of logic can reverse the current of history or compel the national consciousness back into the attitude where it found itself before the war. In all such great popular movements, there is a powerful element of passionate, unreasoning enthusiasm, which associates itself with symbols, ideas, and words, such as "patriotism" and "the flag"; very readily takes for granted certain important premises; and looks upon any doubt as to their universal validity as indicating a lack of the sentiments proper to good citizenship. At such times it is difficult to make the voice of reason heard. Happily, a nation is rarely in this condition of overpowering enthusiasm. And yet, if its vitality has not been exhausted, it must have these periodical outbreaks, which are, indeed, to that extent a sign of health. But unless they are followed by periods of reflection, in which stock is taken of the elements in national life and development, purely passionate impulses seize upon government, with the inevitable result of bringing about a universal decadence. A nation that trains itself in sober

reasoning, — in clear, logical analysis of the facts, — can well afford an occasional outburst of patriotic feeling, without the fear of being driven utterly out of its course by the storms of popular emotion.

That the United States is to play a leading part in international affairs, — that she is to be one of the five leading world powers, — has been irrevocably decided by the events of the recent past. A nation of our power and resources would be untrue to its vocation if it did not sooner or later realize its duty in this important position to which it has attained. The time has now come for a cool analysis of our position and interests, and a careful selection of modes of policy and action. It will not do — it will not be possible — to live forever on the capital of enthusiasm and patriotism. These may be used effectively in great popular movements, such as the one we have just seen; but for the actual conduct of political life, a different attitude of mind is needed, and nothing would be more dangerous to the state than that the party in power should endeavor to invest all its actions with the sacred character of a great, irresistible, popular movement, and should decry as traitorous and unpatriotic all opposition to its policy. We shall, therefore, in this discussion, take the present state of affairs as the basis upon which to try to arrive at a just estimate of the interests and duties of the United States.

Though we have entered upon an active share in international politics, it does not follow that we

must throw to the winds the traditions of the past, and become the docile imitators of other nations. More than ever before we need rather to emphasize those wholesome characteristics of our national life that distinguish it favorably from the more rigidly stratified societies of Europe; and, before we take any step in international politics, we should first consider the influence that it is likely to exert on the life within our nation.

Mere territorial expansion appeals to the unthinking; there is a certain fascination in knowing that new territories are brought beneath the sway of our national power. There is, therefore, always a strong tendency to hoist the flag wherever an opportunity offers itself, and as it is considered the height of unpatriotic feeling to haul down the flag under any circumstances, the nation is often forced into undertakings, the scope and bearing of which are only dimly perceived by even its best-informed members. Whether the sacrifices involved in taking possession of such territories are at all proportionate to the benefits to be derived by our nation and by the so-called inferior races within the conquered territory, is hardly ever considered. It may, therefore, not be amiss to endeavor to ascertain where the most important interests of the United States now are, and by what political action and methods they may be developed.

Our nation has been accustomed to a feeling of inexhaustible resources and energy, and has, there-

fore, felt that whatever attracted it could be had, regardless of the cost. But as we enter upon closer international relations, more calculation becomes necessary, since in the great give-and-take of the world's politics, a nation, no matter how strong, must, if it wishes to succeed, adapt its plans to its resources, and not expend blood and treasure in mere fantastic undertakings.

When we consider the present situation and the probable future of the Chinese Empire, it seems only just to conclude that the share of the United States in the development of the resources of that country will be at least as large as that of any of the European powers. Commercially the United States is the nearest neighbor of the Chinese Empire; for even when the Siberian railway is completed, it will not materially affect the freight traffic between China and Europe. At least for bulky freight the rates must necessarily be prohibitory, so that communication between European Russia and China must be carried on by sea, as before. It may be said by some that the position of Russia in Manchuria, after the development of the resources of that province, will enable Russian manufacturers to have a controlling share in the trade of China. This, however, even if it is to be realized, is a development of the future, and cannot therefore enter into our estimate of the present condition of nations in respect to Chinese trade.

It is difficult to estimate with accuracy the present state of American trade with China. In the

first place, we have practically no merchant marine trading with the Orient. Of over 2000 merchant vessels entering the port of Shanghai in 1898, only 50 were American; at Chefoo, in northern China, no American ships entered for five years at a time, while in the year 1876 alone, 205 American vessels passed the custom-house of that port.[1] The absence of American shipping is noticed by all writers on the Orient, and the Chinese themselves are reported as asking, when consuls try to impress them with the importance of American industries, "Where, then, are your ships?" This state of affairs is attributed partly to the provisions of the opium treaty, proclaimed October 3, 1881, which prescribes that American subjects or ships are not to import opium into any of the open ports of China. It is claimed that this prohibition has virtually driven the American flag off the Chinese coast, as American ships cannot receive a cargo which contains even an ounce of opium.

In addition to this absence of American ship-

[1] See "Commercial Relations of the United States with Foreign Countries," 1898, Vol. I., p. 989.

The total percentage of American shipping in Chinese harbors for 1898 is given as less than 1 per cent, while Great Britain has 53 per cent and Germany 10 per cent.

The following are the figures for American ships entering the port of Chefoo, in the respective years: —

1868	132
1876	205
1884	93
1888 to 1893	none
1897	3

ping, there is a great lack of American banking and trading facilities. Most of the American goods imported into China are handled by British firms. Moreover, all imports from Hongkong are credited to the British Empire, so that the statistics of the imperial customs administration cannot be relied upon for accurate information as to the actual country of origin of imported manufactures.[1]

Still, we know that the construction of railways which has recently been entered upon has brought about an important demand for American lumber, rails, machinery, and locomotives.[2] Indeed, a large portion of the construction material needed by the Russian and Imperial Chinese railways has been supplied from American sources. The president

[1] The estimated value of American imports entering Shanghai in 1898 was $8,000,000. There was a substantial increase over former years in cotton goods and oil. The exports from Shanghai to the United States rose from $7,116,000 in 1896 to $11,666,000 in 1897, the chief exports being silk, tea, and wool. The total imports from the United States to China, according to the custom-house reports for 1898, were $11,911,000, an increase of 45 per cent over the figures for 1896. When we consider that almost half the total foreign trade of China is credited to Hongkong, the reason of the uncertainty as to the real country of origin of Chinese imports is explained. Out of a total export trade of $225,819,000 for 1898, Hongkong is credited with $110,552,000. This also illustrates incidentally the importance of Hongkong as an entrepôt. For further statistics see *Consular Reports* for September, 1899.

[2] Ties and bridge timbers for the Imperial Chinese Railway (the Pechili line), were imported chiefly from Oregon. Of the engines used in 1898, 64 were of Chinese make, 38 English, and 24 American.

of the Great Northern Railway states that he has been compelled to refuse a shipment of 60,000 tons of steel rails and 38,000,000 pounds of cotton to Asia, because of the lack of transportation facilities on the ocean.[1] The great need of lumber in the development of China will be supplied largely from our Pacific coast, and from the forests of the Philippine Islands. Other important articles of American trade with China are flour, cotton fabrics, and kerosene. Concerning the latter it has recently been reported that the American product is rapidly being replaced by that of Russia and that of Sumatra, which are of an inferior quality and are sold more cheaply. As yet the market for other commodities and manufactures has been rather restricted, but notwithstanding her lack of financial and mercantile facilities, the United States has already conquered an important share in the actual trade of China.

As we have seen, American capitalists are also actively interested in the development of Chinese resources. For example, the concession for the Hankow-Canton line was granted to an American syndicate. A regular steamer line between Vladivostok and Canton has been established by American capitalists and is now being operated by them, and in the peninsula of Corea Americans are actively and successfully engaged in the exploitation of gold mines.[2]

[1] See "Commercial Relations of the United States," 1898, p. 991.

[2] See *Consular Reports*, March, 1898.

American manufacturers are just awakening to the fact that there is growing up in Siberia an important market for machinery and manufactured goods, for the permanent control of which the United States is most favorably situated. At the present time American commerce is still relatively unimportant in those territories.[1] The fact, however, that between 1896 and 1897 American trade with Vladivostok increased fourfold shows that the Americans are alive to the great opportunities awaiting their industries in northern Asia. Public attention has recently been directed to the large amount of construction material furnished by Americans for the Russian railway system in Siberia and Manchuria. Railway ties, bridge timber, iron work, locomotives, ice-machines, and machinery for rolling mills have been imported in large quantities. By a special order of the Russian government, machinery destined for the working of mines is to enter free from duty up to January 1, 1909. The port of Vladivostok is also for the time being free except for alcoholic liquors, tobacco, petroleum, sugar, and some unimportant articles.

It seems to be the general policy of Russia to encourage friendly commercial relations with the

[1] The trade of Siberia in 1897 was divided as follows: Germany led with 30 per cent, Russia followed with 25 per cent, and then came, in order, Great Britain, Japan, and China, and finally the United States with 5 per cent. In the trade of European Russia, too, Germany leads by a large amount.

United States. Indeed, it is within the range of possibilities that special privileges for American importation could be obtained for a long period. When we consider that our western states face directly upon the Russian possessions, while other nations can reach them only by roundabout routes, and also that Russia, because she is in need of our manufactures for an efficient development of Siberian resources, is disposed to treat the United States very favorably, it will be seen that the field here open is one of great promise.

As we consider these data, they may seem to be of less importance or significance than might have been expected. And yet we can hardly wonder that, with its manufacturing population chiefly on the Atlantic coast, and with a vast domestic demand to supply, the United States has not yet equalled the leading manufacturing nations of Europe, and especially Great Britain, in the extent of its foreign trade; but when we look at the advantageous position and teeming resources of our Pacific states, which are just awakening to the magnificent possibilities of commerce across the Pacific, we may consider it natural, — even necessary, — that, if free trade opportunities are maintained in China, we shall soon absorb our full share in the commerce of that magnificent market.

It is in connection with the Chinese and Siberian trade that our position in the Philippines becomes of special importance. Up to the present our commercial interests in these islands have

been comparatively slight. In the year 1898 the total exports from the islands to the United States amounted to only $4,099,525, while the imports from the United States were insignificant, amounting, in fact, to only $147,846.[1] Up to that date, wholesale commerce was largely in the hands of Spanish, British, and German firms, while the retail trade in the larger towns was almost entirely carried on by the Chinese. Very little foreign capital from

[1] See "Commercial Relations of the United States," *Consular Reports*, 1898, p. 140. The following table of trade relations for 1897 is there also given : —

Countries.	Imports from Philippines.	Exports to Philippines.
Great Britain	$6,223,426	$2,063,598
France	1,990,297	359,796
Germany	223,720	774,928
Belgium	272,240	45,660
Spain	4,434,261	7,972,637
Japan	1,332,300	92,823
China	56,137	97,717
India	7,755	80,156
Straits Settlements	274,130	236,001
New South Wales	119,550	176,858
Victoria	180	178,370
United States	4,383,740	94,597
Total	$19,317,736	$12,173,141

In 1893 the exports to the United States were $9,314,235. The trade with Hongkong is not noted in the above table; it seems, however, to be quite considerable. In 1895 the exports to the United States amounted to $4,731,000; the imports from that source, to $119,255. *Ibid.*, p. 1064.

any country was invested in the development of inland resources. In general, property was so insecure, litigation so frequent, and, when entered upon, so long-drawn-out and expensive, that few capitalists ventured any extensive investment.

The future commercial importance of Manila and other Philippine seaports is already universally recognized. That the former half-forgotten capital will rival Hongkong and Singapore as an entrepôt for Oriental trade admits of no doubt. When we consider that the foreign trade of the Straits Settlements is almost as large as that of the whole Dominion of Canada,[1] while that of Hongkong exceeds both these by a considerable amount, we gain some conception of what the position of Manila is likely to be when Oriental trade really begins to develop. It is this that constitutes the chief importance of the possession and control of the Philippines. Indeed, the people of the United States would perhaps, all things considered, derive more benefit from the possession of Manila than from the permanent ownership and control of all the rest of the territory in the islands.

For various reasons, not so much benefit is to be expected from the development of natural resources in the Philippines, although these, too, promise a bright future. The resources of the islands consist

[1] Between 1892 and 1896, the annual average was, for exports, Canada, £23,327,000; the Straits Settlements, £21,021,000: for imports, Canada, £24,029,000; the Straits Settlements, £18,562,000. See *Journal of the Royal Statistical Society*, Vol. LXII., p. 495.

of mineral wealth, rich agricultural lands, and valuable timber. Coal and petroleum are found in large quantities in Cebú and Mindoro, and gold and iron in Luzon and Mindanao. Cebú coal is a highly carbonized lignite of the Tertiary Age; analysis shows that it has about two-thirds the calorific energy of Cardiff coal. The Spanish government has been hostile to the development of industrial undertakings, and by legal quibbles and unfavorable regulations has prevented any extensive exploitation. What mining there has been has not been organized, the miners living in isolated districts and selling their produce to Chinese merchants. A British corporation has for some time been carrying on gold mining operations on the shore of Peracele Bay. The chief agricultural products are hemp and rice, while the forests abound in most valuable kinds of wood, such as ebony and mahogany.

Before these resources can be at all successfully exploited, the construction of adequate means of communication and transportation will have to be effected. The Spanish government in the Philippines degenerated into a mere taxing machine, totally unproductive in its character, since practically none of the funds collected from taxation found their way into internal improvements. Such poor roads as actually exist were constructed by natives working off their poll-tax under the supervision of shiftless officials.

A great difficulty that will be encountered in

the efforts to develop the mining resources of the islands lies in the fact that labor is not easily obtained. Laborers are scarce. They must usually be brought from a distance, and must be paid a considerable sum in advance. The wants of the natives are few. They soon earn what they consider a competency and with it retire to their native villages to live their accustomed peaceful life. It is said that employers in the Philippines have rather preferred men who drank, gambled, and played the *gallera*, because such men, having more wants to satisfy, would work with greater energy and persistence.[1]

One of the first problems that will have to be solved in opening up the islands to modern industrial methods will be this question of securing a sufficient and lasting supply of labor. It would be very difficult to induce the natives to work hard and long unless forced-labor acts, similar to those in use in French China and in South Africa, should be adopted. The administration of those laws, however, very often leads to terrible suffering and great mortality among the natives; so that public opinion in the United States could not be expected to tolerate their enforcement. Another plan would be to import gangs of coolies from China and India. Although the experience of the French with this class of laborers has not been promising, other nations seem to have had better success with them. It may be that in the case of the French

[1] See Dean C. Worcester, *The Philippine Islands.*

experiment, the nearness of Indo-China to their home caused the Chinese coolies to feel too independent of their masters.

The question of the climate has been discussed at length by many writers, most of whom agree that for permanent residence, and especially for women and children, it is hardly suitable. The great profits, however, which await an energetic development of resources, would make it possible for interested capitalists, by the offer of large salaries, to induce men to undertake the management of their projected industries.

When the situation is regarded as a whole, it seems that the importance of these islands lies not so much in their own resources, present or prospective, as in their favorable situation on the great trade route between China and America, and between China and the European colonies in the Orient. At this point, therefore, we meet the question of the importance of the direct control of territory in the development of national trade and industry.[1] It seems that such control is not so important as are the assurances of equal opportunity of trade throughout the Orient, and the control of sea and water communications. Political connection can have great importance only where a policy of exclusiveness is introduced; and even there it will be difficult, if not impossible, in the long run, to interfere with the natural currents of

[1] For a more detailed discussion of this subject, see *supra*, Part I. Ch. II.

commerce. It is clear that in the Philippine Islands the United States could not adopt an exclusive protective policy, without inviting ruinous reprisals. In order to gain an inferior market in the islands, the Americans would have to sacrifice, to a certain extent, the superior markets which other advanced nations offer; for the extension of the American protective system to the islands would do more than anything else could do to bring forth a universal spirit of hostility to the American nation, and, by leading other governments to a policy of retaliation, it would have a disastrous effect on the natural relations of American commerce.

When we come to the control of trade routes, we enter upon a subject of greater actual importance than that of the possession of vast tracts of territory. The United States, being in possession of Hawaii, Tutuila in the Samoan group, Guam in the Ladrones, and Manila, will have sufficient points of support to protect the routes which her commerce in the Orient would take. The building of the Nicaragua canal, the laying of a Pacific cable, the fostering of the merchant marine, and the establishment of banking communications with the Orient are, in the vitally important fields of commercial and industrial exploitation, the matters which should occupy American statesmen first of all. When we consider that with a proper development of our relations, American trade with China should exceed that with the Philippine Islands at

least tenfold, the true relative importance of the actual possession and territorial control of these islands appears. This, of course, is no argument for their relinquishment; it is simply intended to point out that there are more important interests in the Orient, to which the Philippine question should be subordinated, and that nothing should be done in the Philippine Islands without first making sure of its effect upon American political influence and trade relations in the Orient in general.

The United States has thus far wisely refused to enter upon any plans for territorial acquisition on the Asiatic mainland, at the same time insisting upon an unequivocal maintenance of the policy of equal opportunity.[1] This it is which is the prime necessity of American commerce in the East. No territorial holding that it would be possible at the present time to obtain would compensate the United States for the loss of commerce which she would sustain by being excluded from regions held by other nations. We are most favorably situated for developing a great and flourishing trade with the entire Pacific coast of Asia. It would, therefore, be the height of folly for the United States to join in a rush for territorial acquisition, which could only lead to such a breakdown of the friendly commercial relations of the civilized powers, as would entail upon all of them a disastrous loss.

It appears from the above considerations that

[1] For a fuller discussion of this matter see *supra*, Part II., Ch. III.

the fundamental principles of American policy ought to be the fostering of commercial relations and the strengthening of industries at home, rather than the acquisition of vast reaches of territory. For all the purposes of developing a high civilization, the United States is in a more favorable position than any other great power. She has a vast territory in the temperate zone, adapted to the growth of a homogeneous population. Her resources have scarcely been touched, and for centuries to come internal development can go on without any fear of approaching exhaustion. The prosperity and freedom of this our home region should take precedence of any other considerations, and it seems clear that we ought to be slow to enter upon a policy of ambitious territorial expansion, which would weigh down our industries with the cost of maintaining an extensive colonial service and naval establishment, without any proportionate gain.

CHAPTER II

The Influence of International Politics on the Party System

A consideration of the new forces in politics leads us to inquire how the system of party government is likely to be affected by the increased and continued concentration of public interest on foreign affairs. The political experience of the last two centuries has proved that free government and party government are almost convertible terms. It is still as true as when Burke wrote his famous defence of party, in his *Thoughts on the Cause of the Present Discontents*, that, for the realization of political freedom, the organization of the electorate into regular and permanent parties is necessary. Parliamentary government has attained its highest success only in those countries where political power is held alternately by two great national parties. As soon as factional interests become predominant; as soon as the stability of government depends upon the artificial grouping of minor conflicting interests; as soon as the nation lacks the tonic effect of the mutual criticisms of

great organizations, the highest form of free government becomes unattainable.

It might, therefore, be argued that anything which tends to decrease the importance of party government contains within it a menace to free institutions. But however that may be, however possible it may be to develop a substitute for the system of party government as we have known it during this century, it is, nevertheless, imperatively necessary that we should ascertain the exact influence upon that system which may result from the new prominence that international relations have obtained in political life. It does not admit of doubt that modern imperialism tends to withdraw public interest from the fields within which party government can best exert its influence. Questions of international relations, of measures undertaken against foreign nations or in concert with them, cannot effectively be made the subject of party controversies. When the national honor is apparently at stake, when the statesmen at the helm have once taken a position withdrawal from which might be interpreted as national weakness, divisions of opinion on questions of abstract justice will be of little weight in the balance against the powerful passion of patriotism, which will, in such cases, support the party of advance and aggression. We have an illustration of this in the case of the Transvaal war. Before hostilities began, the Liberal leaders and the bulk of the Liberal party were decidedly opposed to war, and to the

general policy of the Conservative party. When, however, the Boers, in sheer self-defence, in order to prevent the accumulation of a crushing force on their boundary, had been forced to begin hostilities, the majority of the Liberals began to support the party in power, or at least to refrain from adverse criticism. Party government deals most effectively with matters of domestic concern. As soon as the foreign interests of the nation are at stake, divergences of opinion have to be reconciled, and a common front presented to the foreign rival. It has always been the tradition of the English government that no administration should repudiate the acts of its predecessors in relation to foreign affairs, and that, while in opposition, a party should refrain from undue interference with the international policy adopted by its opponent. International matters have thus been largely withdrawn from the domain of party politics.

We find the same principle followed and the same influence at work in other nations. In the German Empire, matters of colonial expansion, of armament, of naval strength, and of foreign relations in general, are left largely to the initiative of the administration; and even if there are at first marked divergences of opinion, the government plans are usually adopted in the end, so that, as regards these matters, German politicians have come to look upon the Reichstag as little more than a burdensome impediment. The Socialists, who most frequently oppose the imperial plans, are

promptly read out of the realm of national sym pathy. Their political action is set down as that of men who are *vaterlandslos*, — who have no fatherland, — although, in some respects, they are really more interested in the country itself than are their opponents. They, however, are more concerned about the internal affairs, about justice in social relations, than about the splendor of the army or national prestige abroad.

In France, all parties have agreed in the matter of foreign policy. The whole national life there has been bent upon the achievement of an international task, the rehabilitation of French diplomatic influence and military prestige. Thus, with the most important concern of the nation withdrawn from the realm of party government, and with all the activities of the administration warped to the attainment of one end, about which there could be no difference of opinion, it is small wonder that party government in France has degenerated into a mere squabble for occasional position among factions of hungry office-seekers.

The Russian government has never been burdened with party opposition, and now that all the national energies are concentrated upon the expansion of the imperial domain, the growth of a party system on Western models is less likely than ever, — in fact, it is an impossibility.

We see, then, that in the countries of continental Europe, which have to give paramount attention to foreign affairs, on account of their exposed frontiers,

party government has never been so prominent in national life as in England and the United States. In Great Britain, moreover, the system was most successful during the decades when the national consciousness was concentrated on the solution of questions of domestic politics. From the time when the dread pall of the post-Napoleonic reaction first began to be lifted from English politics, down to the birth of the present imperialistic enthusiasm, matters of domestic policy controlled English political life. Reform of the representation, corn-law repeal, free trade, church disestablishment, manhood suffrage, proportional representation, and the reform of local government,—these are the principal topics about which the warfare of political parties in Great Britain was waged during the century. Only three decades ago, even the first great apostle of imperialism,—Beaconsfield,—was still so unaware of the future trend of politics, to which he himself was to give an impulse, that he looked upon the colonies of the empire rather as burdens than as a source of strength. "These wretched colonies," he said, "will all be independent, too, in a few years, and are a millstone around our necks." While political energy was thus concentrated on tasks of internal reform, party government flourished as never before or since. In fact, the period covered by the career of Mr. Gladstone marks the zenith of parliamentary and party government, and his attitude toward foreign and domestic affairs

respectively is representative of the true political spirit of that time.

In the United States, questions of domestic policy have been the predominant ones until very recently; and here, too, with the exception of the period of transition after the war of 1812, — when for a time there was neither faction nor party,— and the second period of transition before the accession of Lincoln to the presidency, — when there was a time of faction rather than of party, — there has been a continued existence of two strong and almost evenly balanced parties.

Of late a very marked decline in the efficiency of party government has been noticed, especially in Great Britain, but also to some degree in the United States. In the former country there has been much shifting and rearranging of political parties. As long as the old Liberal programme of internal reform was before the people and engrossing their attention, parties showed a high degree of organization and cohesion; but since imperial and colonial affairs have come into the foreground, the intensity of party rivalry has declined. At the present time, the Liberal party is disorganized, practically leaderless, and without a policy. Its decline is generally attributed to the position taken by its older leaders on questions of foreign politics. A similar disorganization is observable in the Democratic party in the United States, although this may be due in part to other circumstances.

The question is a pertinent one, whether this evident decline in party government is a result of the increased interest now taken in foreign affairs. It seems a natural *a priori* conclusion that the withdrawal of national attention from the field of domestic reform, where party rivalries may be most successfully carried on, to the realm of foreign politics, where such party differences are often dangerous, or, at least, inadvisable, would weaken the organization and efficiency of political parties; but whether this is the primary cause, or only a secondary one, it must certainly be true that it will tend to accentuate the decline which has already begun, although there may still be at stake internal interests sufficiently important for party controversy to be waged about them. In general, however, it seems a safe conclusion that the more fully national energy is concentrated upon the achievement of ends concerning which party controversy is inadvisable, the more completely will party government degenerate into mere factional intrigue, — perhaps even to the point of being replaced by some other system of political action. Could a nation always realize that its cardinal interests are at home, that national worth, welfare, and strength are developed from within, not conquered or acquired from without, could it always assign to foreign and domestic politics their true relative importance, these consequences would also be avoided.[1]

[1] See also Ch. IV. of this Part.

The rationale of the necessity for such unanimity in external matters is simple enough. Action in these cases must be quick and decisive; shifting and changing measures are disastrous, and a policy once undertaken by the executive cannot, therefore, be easily reversed; national responsibilities incurred by authorized agents must be lived up to, and that interpretation of national interests, which is adopted by the government, is usually conclusive. It is generally believed that war can be brought about only in answer to a strong demand for it by popular opinion, but even in the most recent events we have examples that show how easily the current of affairs may be turned by the action of the executive. Thus, a diplomatic note by the government of Mr. Cleveland brought us to the verge of war with Great Britain; and through the initiative of Mr. McKinley, the nation has been placed in the position which it now occupies in the Philippines, without any initial impulse on the part of popular opinion.

A policy once decided upon in this manner, it is difficult to abandon or to reverse; even honest criticism in these matters may be dangerous and impolitic. Sympathy with an enemy who seems to have been unjustly attacked may often render a hopeless struggle more extended, — may swell the account of bloody sacrifices. Thus, a patriotic citizen who would have his country realize the ideal of justice among nations often finds himself in a cruel dilemma. A party that sympathizes with

armed resistance to its own government has never yet succeeded in rendering its opposition effectual. In England, Beaconsfield's policy, though it ran counter to the most cherished tenets of liberalism, had yet to be adopted and carried on by its opponents, when they in turn came into power. We cannot escape the conclusion that, in the present stage of civilization, it is difficult for citizens or parties to place themselves on the basis of international justice, when decisive action in foreign affairs has once been taken. In such instances, the positive element ordinarily carries the day, and criticisms and resentments have to be suppressed. The nation is still to us the ultimate impersonation of political justice. When its existence or interests are at stake, or when, by its authorized representatives, they are judged so to be, effectual opposition to the course of the government by any party is usually out of the question. Inner discords must be suppressed; nations must present to one another an undivided front, — such seems to be the law of our present stage of political development.[1]

It seems difficult to escape the conclusion, therefore, that as a nation enters upon an era of international interests, and diverts the larger share of

[1] "It may be the highest duty to oppose a war before it is brought on, but once the country is at war, the man who fails to support it with all possible heartiness, comes perilously near being a traitor, and his conduct can only be justified on grounds which in time of peace would justify a revolution." — Theodore B. Roosevelt, on "Oliver Cromwell," in *Scribner's Monthly* for April, 1900.

its political energies from the workings of party government to the promotion of these interests, the complete and effectual criticism of governmental measures must, to some extent at least, be weakened. This is one important item in the cost of imperialism which must be considered when we weigh the compensating advantages.

CHAPTER III

The Increased Importance of the Executive

As we have seen in the case of other countries, and particularly in the case of Germany, the relative importance of the executive is enhanced by the present developments in world politics. In Russia, all opposition to the Czar's government has disappeared, such opposition having become so hopeless that no one is at present fantastic or radical enough to undertake it. In Great Britain, where Parliament was formerly the cynosure of political interest, Mr. Chamberlain and Lord Salisbury, the protagonists in the imperial drama, are at present monopolizing all attention. And so, too, in our own country, the management of the most important affairs has, since the Spanish war, fallen to the executive, which, for the time being, has overshadowed the importance of all other departments. In the matter of external affairs, especially in the case of international disputes, it is necessary to grant great discretionary powers; and when important interests are at stake, the necessity of quiet and expeditious action is so great that

the participation of Congress could hardly be invited. It would be well if, with this increased power of the executive, we could also have increased responsibility and a firm guarantee that none shall accede to supreme power without having undergone a complete and strenuous test of political ability and character.

The questions which American statesmanship has hitherto been called upon to solve have ordinarily not been of overpowering difficulty. They have been confined chiefly to matters of internal policy and tariff legislation, and have generally been settled in a rather categorical manner, often riding rough-shod over finer distinctions. With many administrations, the main problem has been that of finding means to expend a treasury surplus which threatened to unsettle the financial relations of the country. Provided by nature with a vast and fertile territory and abundant means, with no threatening questions of life and death to solve, America has of late enjoyed a freedom from care which has made the American statesman rather an object of envy to the rulers of Europe. The politics of the Old World were vastly more complex and difficult. Surrounded by rivals who are eagerly watching every opportunity to gain diplomatic or commercial advantage, their resources so limited that national life has to be carefully fostered in order to support the vast expenditures for national defence, these countries are so dangerously circumstanced within and with-

out that any miscalculation of means is likely to bring about immediately disastrous results. American presidents could look across the ocean to the storm-tossed ministers of European governments with a feeling of restfulness and general ease.

That happy state of things is perhaps soon to disappear. With our entrance upon imperial politics, the intricacy of our governmental relations has markedly increased. Our wealth, it is true, still seems boundless, but for what we possess of youthful vigor, the other great nations make up by long experience and astuteness in diplomacy. The nation, head and body, has felt itself in a very helpless state in the matter of the Philippine Islands. The nature of that region and the general character of Asiatic politics were a closed book to American statesmen and citizens. Yet if we intend to play a part in the far East, our government must put itself into possession of knowledge of all the many elements that go to make up the life of that marvellous region, and must cultivate the methods and tactful expedients by which alone any political advantage in that part of the world can be gained. We may be able to buy, and by brute force to conquer, a good many things; but if we wish to compete successfully with other nations, we must begin to calculate the cost, and not count on the apparently inexhaustible extent of our resources. The time when our statesmen could rely merely on our material strength is forever past. So long as we adhered to the policy

of isolation, this superior attitude of confidence in our own power might well have continued, but in order to compete successfully with the great powers in the government of the world, a policy of less insistence on mere strength, and the cultivation of more tact in the intellectual mastery of political affairs, will become necessary.

When we consider the manner in which we select the man within whose hands these enormous interests of the republic are to be placed, we cannot escape the conclusion that our system of government does not give us a sufficient guarantee of his ability and fitness. Our method of selection is most unscientific, and is open to manifold abuses. A crowded popular convention, summoned for a few days, cannot develop any organic unity and feeling of responsibility; it will, therefore, be led either by political machinations or by merely fortuitous enthusiasms, and it is well known, from our history, how rarely statesmen of long experience and tried character have secured the nomination for the presidency. Another unfavorable element in our government is the fixity of tenure of the presidency. No matter how great a statesman, or how utterly inefficient the president may be, he knows that his term is limited, not by his success as a statesman, but by the passage of time. Continuity in American political careers is also hindered by the general custom which prescribes that a congressman cannot be elected to represent another district than that within which he resides.

The statesman is, therefore, constantly dependent upon the whim of a narrow constituency, who are often unable to judge of his real services, and are guided in their opinion by post-office appointments and harbor bill appropriations affecting their neighborhood.

If, for the purpose of comparison, we look now at the English government, we shall find that it presents a much more scientific and effective system for the education and selection of great political leaders. Continuity of political life is secured by the fact that law and custom permit a statesman to stand for election in any district of the kingdom, so that no narrow, local jealousies can defeat the reëlection of a prominent man. It is by virtue of this fact that the leaders of both parties are constantly present in the House of Commons. Young representatives of marked promise are first admitted into the administration as under-secretaries, and are thus given an opportunity to study both sides of the government, — the administrative and the legislative. The laws which they assist in making, they are bound also to administer. Within Parliament there is constantly going on the most vigorous kind of natural selection, by which promising men are gradually advanced to greater and greater power in governmental affairs. Cabinet statesmen are here subjected to a fiery test; they have to meet the open criticism of their opponents and the silent scrutiny of their friends, day after day, as they present measures or engage in parliamentary discus-

sion. Responsibility is so concentrated that the nation really knows whom to praise or to blame for the effects of any particular measure. The men who have passed through this training become so well known to the nation, that they are virtually embodied policies, and it is hardly necessary for them to stand on any platform; their character and political record is ordinarily a better assurance of their true purposes and principles than any verbal declarations could be.

It is evident that this system is admirably adapted to the management of the imperial side of politics. Although Parliament cannot keep the constant, immediate control of the details of foreign policy, still it has within its hands the selection of the men to whom these great interests shall be intrusted; and the people of the nation can, through Parliament, hold their agents immediately and constantly responsible for the faithful administration of their trust. Leaders are thus placed at the helm upon whose qualifications the best and most experienced public men of the nation are agreed. It is impossible that a successful general or a brilliant orator without any previous preparation should be suddenly placed in control of British imperial affairs. For two hundred years Great Britain has had only one military prime minister, the great Wellington, and his administration was unsuccessful. Military training does not develop those powers of careful and judicious management which political life requires. No matter how patri-

otic a general may be, his experience will often make him the victim of intriguing factions. The firm moderation that subordinates private desires to the public weal and the intelligence that divines the sober public sentiment and is guided even by opponents, are, both of them, the fruit of civic training.

Public interest in England has always been aroused by parliamentary life on account of its dramatic character. Debates in Parliament are a series of closely fought battles for supremacy, in which every point counts and is closely watched by the whole nation. Reputation, power, and vast interests depend on the turn that affairs may take. The electorate may, at any time, by a dissolution of Parliament, be called upon to determine the questions under discussion, and the incentive to keep informed on current parliamentary affairs is, therefore, stronger than in other countries, where parties are not so closely organized in Parliament, and where the dependence of parliamentary action on popular opinion is not so direct. Indeed, in other countries, where the principal business is transacted in committees, the debates, which rarely decide anything, fail to attract public attention, and, in general, the conduct of congressional business has been too uninteresting to attract the popular mind.

Can we draw any practical conclusions from the above comparison? It certainly seems that our system does not afford a sufficient guarantee that

the vast powers which an imperialistic policy would require us to place in the hands of the president shall really be administered by the person most fitted for the position. Public opinion can be brought to bear upon the president only very indirectly, and it is easily conceivable that in the present era of the organization of giant trusts, a machine might readily be constructed which would retain a man in power, even against the best judgment of the American people. Elections under our present system too often reduce themselves to a choice between two evils, the doubtful balance between them almost driving the conscientious elector to distraction. But however desirable a structural change in our system would seem to be, it is probably out of the question. A conscious legislative imitation of the system of another country no one would advise. Though such a change is practically impossible, we may assist in cultivating such a proper sentiment as will be favorable to a more natural selection, and we may strengthen those political developments that tend to favor continuity of political careers, — advancement for long experience, and for tried capacity in dealing with public affairs, and the refusal of the title to supreme power to mere military fame. We ought to foster a system of organic, instead of fortuitous, selection. We ought to discountenance the emphasizing of anything that merely gives notoriety to a name without containing a guarantee of efficient civil administration.

Some germs of a system of organic selection can be observed in the history of the last two decades. Thus, the governorship of great states, the chairmanship of important congressional committees, and prominence in the Senate, have come to be considered stepping-stones to the presidential office. Again, there has been a tendency to grant second terms, and thus to secure a continuous career to efficient congressmen and senators. And, finally, the former disorganization of the House of Representatives is remedied, to some extent, by the growth of the Committee on Rules, which unifies and digests the legislative business, and acts as a responsible body representative of the party in power.

Tendencies and developments of this kind should be consciously strengthened; for while it may be impossible to reconstruct a government, it certainly is not outside of the range of legitimate action to assist the growth of favorable institutions. It is well known that the marvellous English system is entirely an unpremeditated growth. Its essential elements are the representation of the crown by the prime minister; the solidarity of the cabinet; the responsibility of the latter to Parliament; the power to dissolve the legislative and to create new peers; the fact that the ministers are members of Parliament; and, finally, that a representative may stand for any electoral district in the realm: all these elements are indispensable to the successful working of cabinet government. Yet they were

all developed separately, at periods widely apart, with no consciousness at the time of their future function in a delicate organism of government. No human intellect could have thought it out, yet it is certainly no empty coincidence that the English nation, the people who of all others do their own thinking, should also have developed this most highly organized and most delicately responsive system of political action.

CHAPTER IV

The Influence of Imperialism on Home Affairs in the United States

It is to be feared that the present tendency of popular interest to become concentrated on imperial questions and affairs will still further weaken the public interest in questions of home politics, which are themselves of such a nature as to be little attractive to the general public, no matter how important they may be. This danger of absorbing political energies in outside matters to the damage of domestic concerns should at least be noticed and guarded against. A nation that is rapidly expanding and is directing its energies to territorial acquisitions beyond its borders, is quite likely to suffer in its social and political well-being at home. We need but advert to the example of Rome, where, with the successive stages of imperial extension, there was a growth of social antipathies and general disintegration; a concentration of wealth with a corresponding increase in the city proletariat. Similarly, the powerful and brilliant monarchy of Spain was ultimately corrupted and

ruined by territorial conquests which were used only to draw sustenance for the ever increasing luxuries of the home country.

The danger of withdrawing public attention from home affairs and thus giving them over to a reactionary spirit is apparent enough to cause apprehension. We have already noted it in the case of Germany. In Great Britain, questions of home government have fallen into apparent neglect. The older liberalism was concerned mainly with matters of political mechanism and structure, such as the suffrage, home rule, and disestablishment; but it must not be overlooked that the spirit in which these policies were brought forward and supported was that of fostering the intelligent interest of the people in their own affairs; and never has the country brought more direct and more strict supervision to bear upon its representatives than during the decades in which these structural changes were being made. At present public opinion and political action have turned from these matters to questions of social reform, but the spirit of politics has also changed; it is now the spirit of a beneficent absolutism dealing out protection and certain economic advantages to the dependent classes, rather than that of a liberal policy making its primary object the fostering of their independence. This is another of those apparent paradoxes in which history so abounds. On the surface, the intention of governing for the people is avowed, while in reality their virtue and their independence are

being undermined. That the masses have an instinctive feeling of this is shown by the fact that they display their enthusiasm on imperial questions rather than on the questions of social reform; for in the former their patriotic feeling is a great motive force, while in the latter case political action partakes of the nature of giving alms to them as a dependent class. For this reason, imperialism is foremost in the popular mind.

Turning now to our own country, we also have here every indication that popular interest is being unduly withdrawn from questions of domestic politics. This indifferent attitude of the popular mind has emboldened professional politicians to seek to strengthen their position by beginning to break down the system of civil service reform. The question suggests itself, What will be the relation of an imperial policy to civil service at home? The argument has been advanced by Professor Giddings and others that increased national responsibility will purify the public service and the morale and wisdom of American administration. In support of this view, the example of Great Britain is appealed to, the purity of its civil service being ascribed to the tonic effect of continuously expanding responsibility.

Such a view, however, seems somewhat too optimistic. In the first place, the primary tendency of unchecked expansion would undoubtedly be an increase of the speculative spirit and of recklessness and corruption in public affairs, though, of course, such tendencies may be counteracted by a well-

informed, active, and vigilant public opinion. Moreover, it must be noted that English experience has not been of the nature suggested in the considerations given above. As a matter of fact, after two hundred years of expansion, and up to the very close of the eighteenth century, English civil service and the general political life of England were as corrupt as ever. The great and lasting reform, on the other hand, was effected only in the era of liberalism, when public interest was concentrated on home questions, and when imperial and colonial interests were in the background.

We can get some indication of the character of the influence of colonialism on British politics from the utterances on that question of the two most advanced statesmen of the eighteenth century. Lord Chatham, in speaking of the use of colonial wealth in English politics, said: —

"For some years past there has been an influx of wealth into this country which has been attended by many fatal consequences, because it has not been the regular natural produce of labor and industry. The riches of Asia have been poured in upon us, and have brought with them not only Asiatic luxury, but, I fear, Asiatic principles of government. Without connections, without any natural interest in the soil, the importers of foreign gold have forced their way into Parliament by such a torrent of corruption as no private hereditary fortune could resist."[1]

And Burke, in his speech of December 1, 1783, describes the young magistrates who undertake the government of India, as follows: —

[1] Cited in Sir Charles Wilson's *Clive*, p. 210.

"Animated with all the avarice of age and all the impetuosity of youth, they roll in, one after another, wave after wave; and there is nothing before the eyes of the natives but an endless, hopeless prospect of new flights of birds of prey and of passage, with appetites continually renewing for a food that is continually wasting; for the prey is lodged in England, and the cries of India are given to the seas and winds."

The very fact that an attempt to reform the administration of India at that time, however injudicious in particulars the attempt may have been, aroused such a storm of opposition as to aid in excluding the Whig party from power for twenty-five years, is a striking commentary on the relation of colonial politics to home affairs during the eighteenth century. This was the condition of affairs after colonial expansion had had an opportunity of exercising its beneficent influence on English political life for about two centuries. Colonial administration itself was at that time still most corrupt and selfish. Even after Haileybury College, with its special course of study for the Indian civil service, had been established, the system of patronage continued to govern the appointment to office, with the result that, as late as 1850, corruption and ignorance were common in the colonial service.[1] At that time, the agitation for civil service reform and the introduction of the merit system had already been vigorously pushed, and in 1853 Sir Stafford Northcote and Sir Edward Trevelyan made their famous report. The enlightened liberalism

[1] Eaton, *Civil Service in Great Britain*, p. 178.

of the reform era was at its height, and within two years the merit system was introduced in England; in 1853, it had also been put in force in India. Colonial reform and home reform both flowed from the same source.

The loss of her great colonial possessions in North America exercised a beneficent influence upon England, but it was not until the great reform movement of this century had purified English home politics that colonial administration itself became a credit to the English nation. Unless a nation trains itself in political character and method by the efficient administration of its home affairs, it cannot hope to be successful in imperial politics, or to escape the detrimental influence which expansion is likely to produce. England's greatness as a colonizing power is due to the fact that her foreign administration for the greater part of the nineteenth century has been subjected to the criticism of an enlightened public opinion at home, trained in judging and dealing intelligently with political affairs. It is the habit which the British people have acquired of watching and controlling their political agents that enables them to exercise a beneficial influence among inferior nations. Wherever a British officer or administrator has worked, he has felt himself responsible to a critical and alert public opinion, accustomed to dealing strictly with any lapses, breaches of trust, or offences against political morality. Instead of acquiring purity from a sense

of increased responsibility, as some have argued, the efficiency of the English government has proceeded rather from home affairs to those abroad; and it is only because, under the régime of liberalism during the present century, the English people have given such minute attention to good government at home, that they have been enabled to introduce that blessing among inferior races. If the sobriety and justice of Liberal politics are to be abandoned, the true greatness of England is a thing of the past.

We should therefore not allow ourselves to fall into a feeling of optimistic security, and to expect too much of "beneficent reaction." National effort must be concentrated on the task of producing a pure and efficient administration in domestic affairs, and national public opinion must insist upon the direct responsibility of all public servants, wherever stationed, to the nation at home.

The same redoubled vigilance must be devoted to other affairs of domestic reform. Whatever withdraws attention from them is likely to strengthen the forces of reaction. It is but natural that the central government should to some extent strengthen organized interests at the expense of the people in general. Even though one admits that an honest effort has been made to legislate with equal favor, he can hardly avoid the conclusion that the laws of the United States government have been more uniformly favorable to capital and its concentrated interests than to the poorer classes.

It is certain that some of the great trusts are interested in expansion. The part taken by powerful trusts in the annexation of Hawaii and the agitation in behalf of Cuba, as well as in the recent distressing episode of tariff legislation for Porto Rico, are too well known to call for more than mention. At present, the Standard Oil Trust, the Carnegie Steel Company, and other great organizations are interested in a Chinese railway concession. To be sure, it is a perfectly legitimate business interest that takes them there, and they have the necessary capital and influence to open tracts of the Celestial Empire to American trade; yet the connection between trusts and our national policy cannot be too carefully watched. It is the interest of all citizens that the central government should not be turned into an instrumentality for advancing powerful centralized interests.

Many other matters of domestic government are likely to suffer by a withdrawal of public interest from them. Among these are the questions of the purity of local and municipal government, the equitable distribution of property, the administrative control of monopolies, and the framing of laws for equitable inheritance taxation. It would be a calamity for the nation to give up the deep and careful consideration of these matters, the right settlement of which is of prime importance to our national life, in order to pursue a policy of territorial expansion, attractive, indeed, but of doubtful value. In this connection we must also

notice that the relative importance of the government of the states as compared with that of the federal government is to be decreased still further by present developments, which tend to increase inordinately the public interest in those affairs which are solely in the hands of the central government; for, without detailed explanation, we may simply call attention to the fact that imperialism always favors centralization. It may be that as one result of this centralization added interest will be taken in government in general, and that men of ability will in larger numbers devote themselves to the service of the state. To this end, however, steps should be taken to assure efficient public servants a continuous career and adequate remuneration. As illustrating the vital importance and value of this plan, we need only call to mind the work of Lord Cromer, who for fifteen years has been enabled to carry out his consistent and far-reaching policy with regard to Egypt.

CHAPTER V

The Influence of Imperialism on the International Relations of the United States

It remains to consider briefly the influence of the new developments in international politics on the relations between the United States and other great powers. A certain feeling of aloofness from Old World interests characterized American politics up to within the last few years; but this feeling has now entirely disappeared and has given way to a sentiment of common interests and of rivalries centring about common aims. Many are inclined to view this change with a spirit of regret, as if the United States had, to some extent, abandoned her old ideals and stepped down into the dusty arena of selfish and ignoble combats for material dominion.

It is indeed true that, in the eyes of European nations, the fair fame of the American Republic has suffered in consequence of the results of the late war. Not accustomed to grant the validity of purely humanitarian and altruistic motives in guiding their

own political action, they set down to the account of pure hypocrisy the professions made by America before the war, and believe, or affect to believe, that those professions were consciously calculated to veil a masterful desire for territorial expansion. It will probably never be possible to make European nations understand the real complexity of motives that led the American nation into a war with Spain. Especially will it be difficult for them ever to realize how large a part real sympathy with the sufferings of a neighboring population, and impatience engendered by daily reports of unceasing warfare and unrelieved misery, played in bringing about the war. Any representations tending to give probability to the importance of these factors are likely to be discountenanced in consideration of the events that have followed the war. It is only by strict compliance with the letter and spirit of the declarations made when entering upon the war that the United States can redeem her reputation for honesty and a straightforward policy. For this reason, no effort should be spared to allow the populations of Cuba and the Philippine Islands the greatest measure of independence consonant with the general peace of the world and the security of life and property within those islands.

There has of late been much conjecture concerning the international relations of the United States. The friendship between Great Britain and the American Republic is usually accepted as firmly established, and it may be looked upon as one of

the most fortunate results of the late war that the unreasoning bitterness and misunderstanding between these two great nations have given way, even for a time, to a feeling of common interests and mutual good will. The best minds of both nations have long realized that, with all the commercial and industrial rivalry between them, they are at one on the essentials of civilization and government. In view of the suddenness of the change of attitude among those politicians who were formerly most radical in their denunciation of British policy, however, it is hardly possible to avoid the conclusion that much of the enthusiasm in favor of alliance must be identified with the spirit of desire for exaggerated national aggrandizement, and may be ascribed to their belief that these two powers can without let or hindrance order the government of the world according to their own convenience.

More recently it has been proposed that Germany should be included within the great Anglo-Saxon alliance. The term itself is open to criticism, since, although there is a certain racial affinity among the majority of the citizens of these three countries, the Germans, at any rate, would object to being included under the suggested designation. Moreover, this racial affinity would not be sufficiently strong to insure continued political unity, if any powerful material interest should arise to separate the three nations. Race is scarcely a sufficient bond for the unity of a single national state, much less for an international alliance of many

such states. If we pass by this ethnical element and consider the question of social and political ideals, there seems to be lacking in these, also, a sufficient basis for coöperation among the three powers, — for they differ broadly in their views as to social customs and political institutions. The only motive that may be expected to bind them together and to offer a guerdon of continued amity is to be found in a common fear of Russia and of the apparently irresistible expansive tendencies of that power.

Between Great Britain and Russia, the enmity is probably irremediable; but if the Russian government will pursue a liberal trade policy in her Asiatic possessions, it does not seem improbable that friendly relations may be established between the Czar's dominions and the other two powers, Germany and the United States. Russia has shown a tendency to conciliate the United States and to give us every reasonable advantage within her Asian territory. Our views about Russia, coming as they do largely from British sources, are perhaps unduly severe as to the Russian civilization and government. Of course, there are many things in Russian affairs against which we must always protest; but it would be a calamity if Russia, by constant and malign misrepresentation of her motives, should be driven into complete hostility to all Western social and political ideals. There certainly are elements in her civilization that may do good service to the world. It is the part of

wise statesmanship for the United States to assist in setting firm bounds to the undue expansion of Russian political influence; but it is equally the counsel of wisdom and humanity for her to discountenance the constant aspersions of Russian political motives, and to foster friendly relations between that great empire and the Western nations.

Germany is already pursuing this policy of fostering friendly relations with all the great powers, while at the same time firmly insisting upon her own international rights. The thought that she would cast her lot completely with any other power is little complimentary to the political sagacity of her statesmen. As has been said before, the time of one-sided alliances is past. Nations at present group themselves as the circumstances and interests of the time dictate. But there is in the world a growing realization of a basis of common interests upon which international amities may rest, and everything that thus leads to a better understanding between the nations should be welcomed as a triumph of humanity over the narrower, blinder forces of nationalism.

Viewing the whole situation, there is much cause for hopefulness in the evident effort of all the nations to emphasize their common interests. There is room for all in the great work of civilizing and developing the world. While we are still very far distant from a millennium of peace, — for

international competition, though conducted on a high ethical plane, is intense and likely to lead to memorable conflicts, — it is none the less reassuring to note that nations are growing less liable to mutual misunderstanding on matters not really vital to their existence.

In conclusion, a few words to summarize the considerations presented in this chapter may be not without value. A headlong policy of territorial aggrandizement should be avoided by the United States, as it would entail the danger of burdening our national existence with elements that could not be assimilated and would only weaken the state. It should be the aim of our nation to counteract everywhere, at home and abroad, the ambitions of universal imperialism, by fostering a spirit of confidence and friendship among the nations. Commerce and industry should be developed by establishing trade depots and means of communication, and by upholding the policy of equal opportunity throughout the colonial world, rather than by territorial acquisitions. Our policy with regard to the Philippine Islands should be guided by the broader consideration of Oriental politics. In the treatment of the populations which through the force of circumstances have been intrusted to our care, we should follow the constitutional and ethical doctrines upon which our government is founded. Before all, and above all, we should guard the purity of domestic politics, lest, while we are gaining great influence in the

affairs of the world, our national life at home weaken and deteriorate, and the hopes which the best men of all nations have cherished in our behalf be deceived. And may we always be able to apply to our country the words of Wordsworth in praise of his own land: —

> "For dearly must we prize thee; we who find
> In thee a bulwark for the cause of men."

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